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ASSOCIATION OF AMERICAN PUBLISHERS

1988 INDUSTRY STATISTICS

COMPILED BY

Statistical Service Center

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All SALES Tables and Figures include both 1987 and 1988 data except as shown.
All Tables including UNIT data are so noted in this Table of Contents.

All OPERATING DATA Tables include 1988 data only, except as noted.

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ECONOMIC REVIEW OF THE YEAR: 1988

We acknowledge gratefully the assistance of Adren Cooper, Office of the Chief Economist, U.S. Department of Commerce, for preparing this review.

The U.S. economy purred along in 1988. In the sixth year of expansion, gross national product grew at a highly satisfactory rate, jobs continued to be generated at a strong pace, and the noise of inflation was well short of a roar. Unfortunately, neither the economic mavens nor Mr. and Mrs. Average knew that in advance, and there was a great deal of worry along the way: first, about the possibility of a slowing economy that would stall and slide into recession; and then about too much growth and rapidly rising prices.

There was good reason to worry about a drought in the Midwest. It cut sharply into farm production and caused hardship in some areas. However, it did not make a sharp statistical dent in the overall economic performance.

According to widely accepted theory, a slide by the bulls goeth before a fall in the economy. The stock market had dropped precipitously in late summer 1987 and then had eroded further later in the year. There was talk of a "tired" consumer who had little more than debt after a five-year spending spree, and in fact, consumer expenditures had declined in the fourth quarter of 1987 for the first time since the 1981-82 expansion. Furthermore, economic expansions usually last a little less than four years, and this one, already a peacetime record, had endured since late 1982.

There was also the possibility that lingering effects of the 1986 Tax Reform Act might crimp business fixed investment and high-rise homebuilding. Exports had been booming, but no one seemed to be exuding a great deal of confidence that they would continue to do so.

The signs of softening, however, did not last beyond the spring. Consumer spending snapped back in the first quarter and held up well thereafter. The homebuilding slump was also brief: it ended after a drop in interest rates permitted below-ten-percent mortgages. Business investment proved to be the strongest since 1984, and exports continued to expand at a vigorous pace.

Even the stock market, which had inspired much of the speculation about recession, seemed to take on new life and it marched steadily on, making up lost ground.

Before midyear, the new scary scenario began to appear: the economy was moving too fast and the excess speed seemed certain to produce a new and dangerous round of inflation. A high rate of growth creates jobs and boosts incomes and profits, but in certain situations it can also accelerate inflation. Measures to tame inflation, such as tightening of the money supply, in the past have often led to a "crash landing" -- in other words: a recession.

But these fears also faded. Despite growth of 4.4 percent, a notch above the long-term average, inflation did not leap ahead. At 4.1 percent, the consumer price index rise was well above 1987 but about average for the 1980s. Oil prices remained quiescent and price effects of the drought were postponed until 1989.

Even though the impact of the drought was tragic in some locales, the U.S. Department of Commerce estimated that it clipped only about 0.3 of a percentage point off the GNP growth rate.

Merchandise exports were well above average. The long fall in the dollar in prior years was a major factor in the 14 percent jump (after adjustment for inflation). The foreign trade deficit fell from the record $152.1 billion to $118.5 billion.

About three million jobs were generated in 1988 and the unemployment rate fell half a percentage point to 5.3 percent.

And what about the tired consumer? The sector that accounts for almost two-thirds of GNP rose 3.4 percent compared with 2.8 percent in 1987 -- not sensational, but not bad for an economy that was supposed to be staggering from the setbacks of Wall Street and at the same time bucking the law of averages.

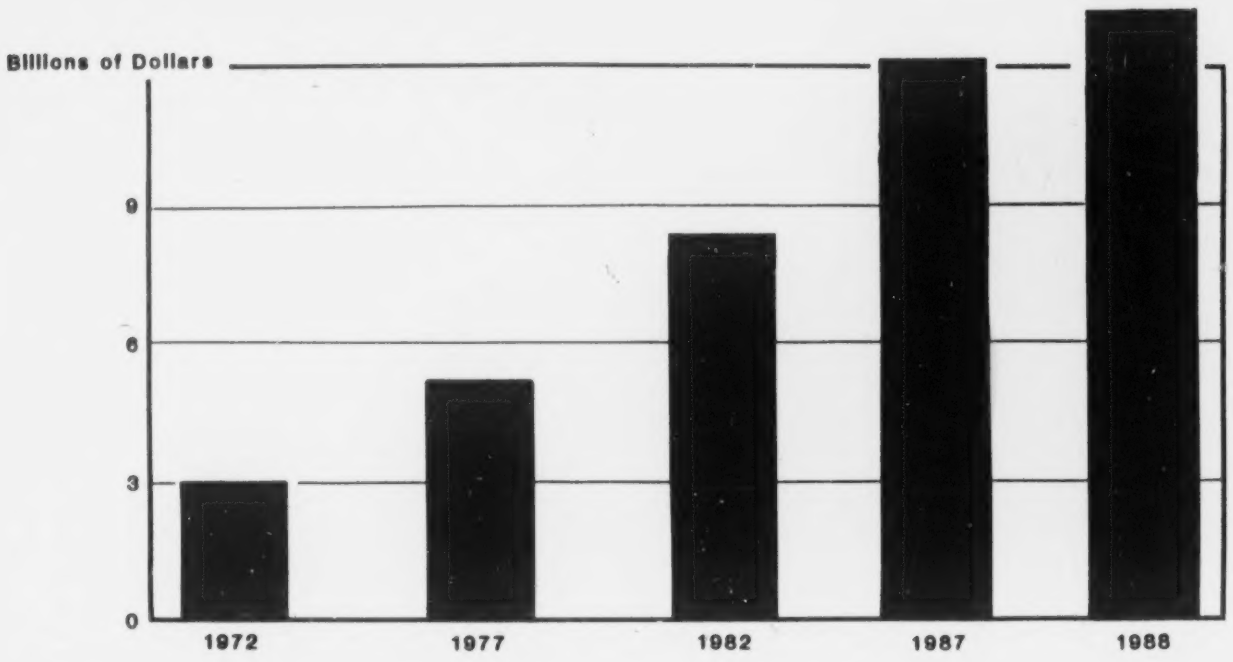

FIGURE S1 - ESTIMATED BOOK PUBLISHING INDUSTRY NET SALES 1972, 1977, 1982, 1987-88

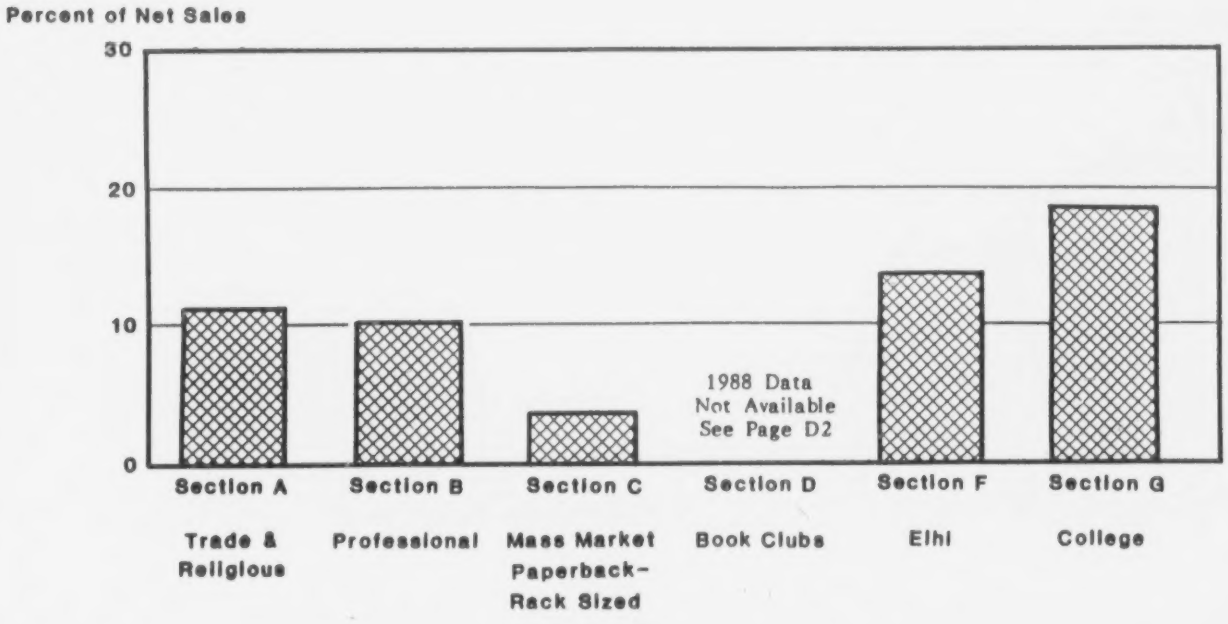

FIGURE S2 - 1988 INCOME FROM OPERATIONS

AAP Statistics Committee

Seymour Turk, Chairman
Book-of-the-Month Club

William Baker
Harper & Row

Jerry Butler
Warner Books

Ellen Faran
Harper & Row

Hal Higby
Times Mirror

Lynn Lumsden
Dodd, Mead

John Marozsan
Aspen Systems

William Smith
John Wiley & Sons

Ronald Woodward
Addison-Wesley

General Publishing Division (Business Managers Committee)

Ellen Faran, Chair
Harper & Row

Bill Barry
Bantam Doubleday

Steven Berkowitz
Macmillan

Clyde Braunstein
Sterling Publ.

Jeremy Cott
Little, Brown

Peter DeGiglio
Random House

Don Eckert
William Morrow

Robert Ferro
Watson-Guptill

Charles Fischer
Henry Holt

Joseph Kelly
Putnam Publishing

David Levy
Crown Publishers

Roy Lewinson
Simon & Schuster

Mark Lilien
Viking-Penguin

Lynne Lumsden
Dodd Mead

Phil Martinho
Henry Holt

Robert Sayre
Rodale Press

Higher Education Division (Business Managers Committee)

James Ramig, Chairman
Richard D. Irwin, Inc.

Carol Anderson
McGraw-Hill

Paul Capobianco
Houghton Mifflin

Gary Davis
R.R. Donnelly & Sons

William Erwin
McGraw-Hill

Michaelle Ferguson
Macmillan

Scott Jeffreys
Harper & Row

Thomas Joyce
PWS-Kent Publishers

Steven Kolenda
Addison-Wesley

Eileen McGrossen
D.C. Heath

Robert Schenck
Prentice-Hall

Thomas Vernon
John Wiley & Sons

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School Division

William Grace, Chairman
Prentice-Hall

Tom Delano
D.C. Heath & Co.

Howard Donaldson
Merrill Publishing

Thomas Dziurdyik
Scott Foresman/
Little Brown

William Gavin
Houghton Mifflin

Peter Stone
Addison-Wesley

Jerome Welch
McGraw-Hill

Professional & Scholarly

Hal Higby, Chairman
Times Mirror

Herbert Addison
Oxford University Press

Barry Appelman
Elsevier Science

Karen Fetty
John Wiley & Sons

Paul Heggarty
D.C. Heath

Mercy Kowalczyk
IEEE Press

Normand Langlois
Butterworth Publ..

Robert Paterra
McGraw-Hill

Carol Rougvie
Little, Brown

Hill Slowinski
Bureau of National
Affairs

PARTICIPATING PUBLISHERS

Code letters following the participant's name identify the divisions to which that publisher responded:

A – Trade and Religious
B – Professional
C – Mass Market Paperback
D – Book Clubs and Mail Order Publications
F – School (Elhi)
G – Higher Education (College)

Publishers are listed, in accordance with their own choice, either as corporate entities or with subsidiaries shown separately, depending on the manner in which their data was supplied to the Survey.

Abingdon Press	A*
Harry N. Abrams	A D*
Academic Press--Books Division	B
Addison-Wesley Publishing Co.	A B* F G
Allyn & Bacon	D G
American Chemical Society	B
American Hospital Publishing	B
American Library Association	B
American Mathematical Society	B*
Aspen Publishers	B
ASTM (American Society for Testing)	B
Avon Books	C
Bantam-Doubleday-Dell	A C D*
Berkley Publishing Group	C
Bethany House Publishers	A
Better Homes & Gardens-Meredith	A* D*
BNA Books	B
Book-of-the-Month Club	D
R.R. Bowker Co.	B*
Broadman Press	A
Wm. C. Brown Co., Publishers	G
Burgess Publishing Co.	G*
Butterworth Publishers	B
Chilton Company	A
Chronicle Books	A
Churchill Livingstone	B
Clark Boardman	B
Cliff's Notes	A
Cold Spring Harbor Laboratory	B*
Congressional Quarterly	G
Contemporary Books	A
CRC Press	B*
Davis Publications	F
Marcel Dekker	B*
Delmar Publishers	F* G
Digital Press	B
Doubleday Book & Music Clubs	D*
Dushkin Publishing Group	G

* Denotes publishers who did not reply directly to this section, but whose data, from the December 1988 AAP Monthly Sales Reports were incorporated into the text, and in some instances, to the first sales table in the indicated section of this volume.

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PARTICIPATING PUBLISHERS

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Elsevier Science Publishing Co.	B
EMC Publishing	F
W.H. Freeman & Co., Publishers	G
Gale Research Co.	A
Good News Publishers	A*
Gorsuch Scarisbrick Publishers	G
Grolier, Inc.	A B D
Gulf Publishing	B
Hackett Publishing Co.	G*
Harcourt Brace Jovanovich	A G
Harlequin Enterprises	C D*
Harper & Row, Publishers	A B G
Health Administration Press	B
D.C. Heath & Co.	B F G
Holman Bible Publishers	A
Henry Holt & Co.	A
Houghton-Mifflin Co.	A F G
Hudson Hills Press	A
Hunter House	A
Ideals Publishing	A
Richard D. Irwin, Inc.	G
Island Press	B
JAI Press	B
Jossey-Bass Inc. Publishers	B
Little, Brown & Co.	A B
Longman Financial Services	A B G
Macmillan Publishing Co.	A B F G
Mayfield Publishing Co.	G
McDougal, Littell & Co.	F
McGraw-Hill Publishing Co.	A B D F G
Menasha Ridge Press	A
Merriam-Webster Inc.	A
Merrill Publishing Co.	F G
William Morrow & Co.	A*
C.V. Mosby Co.	B G
Mountaineers Books	A
National Publishing Co.	A
New American Library	A C
W.W. Norton & Co.	A G
Open Court Publishing	F
Oxford University Press	A B G
Peanut Butter Publishing	A
Pleasant Company	A D*
Plenum Publishing Corp.	B*
Prentice-Hall	D G
Price Stern Sloan Publishers	A*
Putnam Publishing Group	A

* Denotes publishers who did not reply directly to this section, but whose data, from the December 1988 AAP Monthly Sales Reports were incorporated into the text, and in some instances, to the first sales table in the indicated section of this volume.

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INTRODUCTION: METHODOLOGY AND GENERAL SUBJECT DEFINITIONS

AAP Statistical Surveys embrace the entire book publishing industry, educational as well as general, including activities of publishers who produce audio-visual and other non-print materials. All major divisions of the industry are given detailed coverage in this volume, except Subscription Reference (i.e. encyclopedia and related product), Standardized Tests, and University Presses whose activities appear only in summary form or in industry estimates, since detailed reports for these groups are issued separately.

The divisions for which extensive marketing and operating data have been provided in this volume are:

Trade and Religious - Section A
Professional - Section B
Mass Market Paperback - Section C
Book Club & Mail Order Publ. - Section D
Elhi Textbooks and Materials - Section F
College Textbooks and Materials - Section G

In addition, estimates of total industry activity are provided in Table S1 following this introduction, and, for the educational portion of the industry, in tables T1 and T2 at the start of the Elhi section.

Most of the features of the prior years reports have been retained. It should be noted, however, that the 1987 information in this 1988 Industry Statistics may vary from comparable data in the 1987 Industry Statistics Report. This is due to differing respondents to each annual survey.

Publishers and organizations both within and without AAP were asked to contribute data. A complete list of participating publishers is included with this report.

HOW TO UTILIZE THIS SURVEY

The key to a meaningful and useful industry statistical report is comparability. If a publisher, attempting to relate his own experiences to the composite data, finds that he can do so with relative ease, he is likely to reap considerable benefits from an analysis of common experience.

A number of strategies have been employed in this report to enhance comparability. Structurally, the survey brings together groups of publishers who operate in similar economic circumstances. The factors which contribute to a communality of statistical interests are, predominantly, similarities of product, of market, and of marketing technique. These are similarities, however, not identities. The character of the material published, the intended consumer, and the means of reaching him often vary considerably even among publishers in the same division. In consequence, methods of record keeping and accounting frequently differ as well.

INTERPRETING THE DATA

To achieve comparability for all requires that statistical information be produced in a common language, understandable and applicable to all. Hence common definitions, formulated on a divisional basis, reflect majority practice in each division.

When a publisher reports to the survey, he translates his data into the common language, thus making it comparable with data from other contributors. This is vital if a meaningful result is to be obtained. **What is equally important, however, is that in analyzing the report, a publisher translate the data back into his own particular terms.** Only if he does so can the composite experience become genuinely meaningful to him.

Certainly, as an indispensable first step, the contributing publisher should compare his own submission, already rendered in the common language, to the report and by that means move on to a full translation.

Interpretation of the data, and relating it to his own circumstances requires that a publisher

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DEFINITIONS AND INSTRUCTIONS

Copies of the questionnaires, definitions and instructions, which were furnished to participating publishers, are available on request from the AAP New York Office.

It is essential that the reader familiarize himself with the General Instructions and Definitions, as well as with specific instructions and definitions of any section to which he refers, in order to give correct interpretation to the data presented.

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exercise imagination and analytical skill. He must detect similarities, as well as differences, between himself and the industry group portrayed. This introduction, the text with the tables, and the definitions contained in the questionnaires (available on request from the AAP New York Office), will alert the analyst to most of the difficulties in this area.

METHODS OF GATHERING AND REPORTING DATA

The Survey adopted a flexible attitude regarding the extent of detail publishers were able to furnish about their sales and operating experience. While encouraging them to provide as much specific information as possible, it also urged them to supply at least totals or summaries whenever details were not available.

Consequently, in reporting data on varying levels of details, the following devices have been employed:

Tables reporting sales or operating ratios for categories of publication or types of book, contain vertical lead columns headed "All Sales" or "All Publishers", followed by columns devoted to "Hardbound", "Paperbound" or other categories. In such cases data that publishers have not broken down by category will appear in the "All Sales" or "All Publishers" column, **along with** the sum of the detailed figures in the remaining columns, while **only specific** data pertaining to the detailed categories will appear in the category column proper. As a result, the detail columns will **not add horizontally** to equal the ammounts shown in the summary columns. In most cases, the summary column will show amounts **larger** than the total of the detailed columns. (A space break is inserted between the summary columns and the detail columns to emphasize this point).

Horizontal line entries, when representing breakdowns subsequently totaled, may be followed by a line designated **"Unspecified".** This line represents that portion of the total data for which breakdowns have not been furnished by publishers. However, whenever percentages of totals are reported with lines giving breakdowns, these percentages are calculated assuming that the "Unspecified" amounts would break down in the same proportion to the total as the detail actually reported. Accordingly, no percentage relationship to the total is assigned to "Unspecified" entries. (In Section C, Mass Market Paperback, unspecified **data** are allocated in the same proportions as reported data and are **not** shown separately as "Unspecified").

In reporting **Operating Data in Sections A and B,** the principal income and expense areas are summarized in two **main tables** by: a. **category** or **type** of book published; and b. **size** of publisher. The main tables are followed by **detail tables** in which income and expense areas are analyzed by more specific breakdowns. (In **Sections F and G** the analysis is by **size** only).

It is important to remember that the **population of publishers reporting to the main operating table and to each of the detailed tables may not necessarily be the same.** In fact, for certain categories of income or expense, some publishers' data will appear only in the main table, while others' will appear in both, and certain others' only in the detail tables. (The last instance may involve publishers who, because they did not report Gross Sales and Returns but only Net Sales, could not be included in the main table, but who furnished income and cost details which could be related to their Net Sales and reported in the detail tables, or publishers who could report data for 1988 only, while the main table may have required both 1988 and 1987 data).

To provide full **perspective on the population** represented in each table, be it a main or detail table, the following information is normally furnished:

1. Number of Publishers Included
2. Net Sales of Publishers Included

Readers should not be misled, however, by a **superficial examination** of the **number** of publishers represented in, for example, a main table and a related detail table. Only if **both** the **Net Sales AND the number of reporting publishers** appear to match is it likely that the same population is represented. Similarities of number OR Net Sales should not be mistaken for identities!

In this connection, please note that the following populations are identical:

The publishers included in the **two main tables** (i.e. the **same** publishers' data are analyzed by category and size.

The publishers included in each group of two income or expense sub-tables (e.g. the editorial experience of the **same** publishers are analyzed by category and size.

Accordingly, the "All Publishers" vertical lead columns will be identical in each of the two main tables, the two editorial expense tables, the two marketing expense tables, etc. The remaining columns will change, however, in accordance with the nature of the analysis by category and size.

ESTIMATING BY PUBLISHERS

To restate their data in the common language of the definitions and to satisfy requests for detailed breakdowns, required that publishers estimate some of the information they supplied to this Survey. Not only were they encouraged to do so, but specific

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suggestions and instructions for formulating the most significant of these estimates were provided in the questionnaires.

OTHER TERMS AND DEVICES

Arithmetic Averages are supplied throughout this Report.

Ranges of two types are employed:

Full ranges (simply identified as "Range" in column headings) represent the lowest and highest data values reported by individual publishers.

Mid-ranges (an abbreviation in column headings for "Mid-50% Range" or, more technically, "Interquartile Range") represent the experiences of the middle 50% of the reporting group, i.e. those from the 26th to the 75th percentile on a scale that arranges the data values in order, from the lowest to the highest. By utilizing the "mid-range" rather than the full range, it is possible to report only the most representative experiences, eliminating the high and low extremes which, for a variety of reasons, may be uncharacteristic.

Except in instances where full range reporting is required to make the data meaningful, mid-ranges are utilized throughout this Report.

Dollar totals are calculated by accumulating individual items rounded to the nearest dollar (or to the nearest thousand in certain sales tables) and **do not** represent simple additions of the items in a column. (Because of the rounding practice, the last digits in a column may not add exactly when the items in that column are totalled arithmetically).

PREVENTING DISCLOSURE

Whenever specific information--either actual data, or citing the number of publishers reporting--could lead to disclosure of their individual activities, such information has been withheld and the fact noted in the text accompanying the tables.

DEFINITIONS OF THE DIVISIONS

The following listing indicates the sections in which various products should be reported. Definitions follow this listing:

Section A
- Adult Trade
- Juvenile Trade
- Religious
- Scholarly or Library Reprint

Section B
- Technical and Scientific
- Business and Other Professional
- Law
- Medical*

Section C
- Mass Market Paperbacks

Section D
- Consumer Book Clubs
- Professional Book Clubs
- Educational (for Student) Book Clubs
- Mail Order Publications

Section F
- Elhi Level (Grades K-12) Textbooks
- Audiovisual and other (K-12) Educational Materials

Section G
- College Level (Grades 13 & Up) Textbooks
- Audiovisual and other (Grades 13 & Up) Educational Materials

* Medical, nursing and other health sciences textbooks published by **medical** publishers should be reported in section B. All such textbooks published by **non-medical** publishers should be reported in section G (if College level) or in section F (if Elhi level).

INCLUSION OF PRODUCTS

In general, the program covers books and such other printed, non-print, and audiovisual materials as are part of the regular publishing activities of book, educational and professional publishers.

Periodicals of all kinds are excluded. Note, however, that books issued annually are to be considered books rather than periodicals.

Books should be distinguished from **pamphlets** by the following criteria:

All **hardcover** volumes, regardless of length are considered books.

All **juvenile** titles, hard or softcovered, regardless of length, are considered books, except coloring books.

Normally, a softbound publication of between 5 and 48 pages, exclusive of cover pages, is considered a **pamphlet.** However, even softbound volumes of 48 pages or less are to be considered books if their physical design is more that of a book than a pamphlet (such as a mass market paperback that is perfect bound rather than saddle stitched) and if they are part of a book series, and if they are generally recognized as books by the trade and the professions (such as text-related workbooks).

Continued on page xvi

Continued from page xv

For specific guidelines regarding the inclusion of materials, refer to the instructions on each questionnaire.

Trade Books: Books, both adult and juvenile, hardbound and paperbound, created predominantly (50% or more) for the general consumer and marketed primarily (50% or more) through trade channels, i.e. to bookstores and libraries either directly or through wholesalers and jobbers, should be reported in section A. Paperbound books primarily distributed through the mass market media, such as those published by mass market paperback publishers, should be reported in section C. Also to be included in section A are so-called "scholarly" or "library" reprints.

Increasingly, trade books, particularly paperbacks, are used in educational programs. They should **not** be classified as textbooks, however, if they are not created as such primarily, and if they contain no textbook apparatus (such as summaries and test questions).

Religious Books: are books whose content is predominantly of a religious nature: Bibles, Testaments, Hymnals, Prayerbooks, and other works of fiction and non-fiction, adult or juvenile, hardbound or paperbound, of specifically religious character.

Recent trends in the field of religion, as well as in religious publishing, make it increasingly difficult to distinguish between certain religious and trade books. For this reason Trade and Religious publishers are surveyed jointly and both are asked to report their data in section A. Books with only peripheral religious content, even though they appear under the imprint of a religious publisher, should be reported as trade rather than as religious books.

Not to be included in this report are Church and Sunday School materials, and pamphlets of less than 48 pages.

Technical and Scientific Books: Books on the physical, biological, earth and social sciences, and on technology, engineering and the trades, created primarily for the professional audience: practicing and research scientists, engineers, architects, technicians, mechanics and teachers in these and allied fields. Many of these materials are also used in educational settings, particularly on the senior college and graduate level. However, as they are not created primarily to be texts, they should be reported in section B.

Business and Other Professional Books: Books addressed to businessmen, managers, accountants, and individuals in the professions, not covered under Technical and Scientific or Medical: lawyers and librarians, among others. Exclude looseleaf services. Report in section B.

Medical Books: Books designed for the medical profession: physicians, dentists, hospital administrators, veterinarians, pharmacists, etc. Nursing textbooks, along with other medical and health science texts published by **medical** publishers should be included here and reported in section B. (All such textbooks published by **non-medical** publishers should be reported in section G, if college-level, or in section F, if Elhi-level).

Mass Market Paperbacks: Softbound works of adult or juvenile fiction and non-fiction distributed predominantly (50% or more) directly or through wholesalers, to mass market outlets: newsstands, drug stores, chain stores, supermarkets, etc. Report in section C.

Book Club and Mail Order Publications: Includes data on book clubs serving both consumer and professional audiences, general as well as specialized. Should include only data pertaining to book club sales and operations--not sales to book clubs by publishers, for example. Also included here are books created and published primarily (50% or more) for delivery by mail directly to the general consumer. DO NOT INCLUDE SALES BY DIRECT MAIL OF TRADE BOOKS OR PROFESSIONAL BOOKS (c.f. definitions) which should be shown in sections A and B respectively. INCLUDE ONLY DATA ON BOOKS PUBLISHED PRIMARILY FOR MAIL ORDER DISTRIBUTION TO THE GENERAL CONSUMER MARKET. Report in section D.

Textbooks, whether college or elhi, are books created and marketed primarily (50% or more) for classroom adoption and for use in formal educational settings. They contain textbook apparatus, such as summaries and test questions, and, unlike Trade and Professional Books, are not normally marketed to the general juvenile or adult consumer. These, as well as other fundamentally instructional materials, such as programmed books, workbooks, and audiovisual educational materials, should be reported in section F (Elhi--Grades K-12) and section G (College--Grades 13 & Up). Excepted are Medical, Nursing, and other Health Sciences Textbooks published by **medical** publishers, which should be reported in section B. (All such textbooks published by **non-medical** publishers should be reported in sections F or G).

PARTICIPATING PUBLISHERS

Continued from page xii

Random House	A	C	F*	
Raven Press	B			
Resource Publications	A			
Lynne Rienner Publishing	B			
Riverside Publishing	F			
Rodale Press	A			
St. Martin's Press	A	B	C	G
W.B. Saunders Co.	B			
Scholastic Inc.	F			
Scientific Press	G*			
Scott, Foresman & Co.	F	G		
Sierra Club Books	A			
Simon & Schuster	A	B	C	F
South-Western Publishing	F	G		
Springer-Verlag New York	B			
SRA-Pergamon	F			
Steck Vaughn Co.	F			
Taylor Publishing	A			
Texas Monthly Press	A			
Time-Life Books	A	D		
Transaction, Inc.	B*			
UMI Research Press	A	B*		
University Microfilms	A			
University Press of America	B*			
Unwin Hyman	B			
Urban & Schwarzenberg	B			
Van Nostrand Reinhold	B	D*		
Viking Penguin	A			
Wadsworth Inc.	G			
Warner Books	A*	C		
Westminster Press	A*			
Westview Press	G*			
John Wiley & Sons	B	G		
Williams & Wilkins	B			
Word, Inc.	A			
World Book Encyclopedia	D			
Year Book Medical Publishers	B			
Zondervan Bible Publishers	A*			

* Denotes publishers who did not reply directly to this section, but whose data, from the December 1988 AAP Monthly Sales Reports were incorporated into the text, and in some instances, to the first sales table in the indicated section of this volume.

TABLE S1 - ESTIMATED BOOK PUBLISHING INDUSTRY SALES 1982-1988

MILLIONS OF DOLLARS

	1982	1983		1984		1985		
	$	$	PCT CHG FROM 82	$	PCT CHG FROM 83	$	PCT CHG FROM 84	PCT CHG FROM 82
TRADE (TOTAL)	1513.0	1767.9	16.8	1879.6	6.3	2210.9	17.6	46.1
ADULT HARDBOUND	770.8	902.5	17.1	931.4	3.2	1113.0	19.5	44.4
ADULT PAPERBOUND	458.2	513.8	12.1	551.7	7.4	622.3	12.8	35.8
JUVENILE HARDBOUND	206.9	262.3	26.8	297.9	13.6	358.7	20.4	73.4
JUVENILE PAPERBOUND	77.1	89.3	15.8	98.6	10.4	116.9	18.6	51.6
RELIGIOUS (TOTAL)	425.5	508.8	19.6	536.7	5.5	536.7	0.0	26.1
BIBLES, TESTAMENTS, HYMNALS & PRAYER-BOOKS	149.1	162.6	9.1	162.7	0.1	156.3	-3.9	4.8
OTHER RELIGIOUS	276.4	346.2	25.3	374.0	8.0	380.4	1.7	37.6
PROFESSIONAL (TOTAL)	1536.4	1703.1	10.9	1805.3	6.0	1928.0	6.8	25.5
BUSINESS	224.2	258.0	15.1	284.1	10.1	321.3	13.1	43.3
LAW	560.9	606.4	8.1	639.7	5.5	685.8	7.2	22.3
MEDICAL	287.2	320.1	11.5	342.6	7.0	363.6	6.1	26.6
TECHNICAL, SCIENTIFIC & OTHER PROF'L	464.1	518.6	11.7	538.9	3.9	557.3	3.4	20.1
BOOK CLUBS	522.9	569.9	9.0	575.6	1.0	598.0	3.9	14.4
MAIL ORDER PUBLICATIONS	568.6	574.4	1.0	596.2	3.8	629.6	5.6	10.7
MASS MARKET PAPERBACK RACK-SIZED	703.4	742.3	5.5	771.3	3.9	803.7	4.2	14.3
UNIVERSITY PRESSES	125.4	129.1	3.0	138.4	7.2	146.8	6.1	17.1
ELEMENTARY & SECONDARY TEXT	1108.2	1169.0	5.5	1316.3	12.6	1472.9	11.9	32.9
COLLEGE TEXT	1206.1	1265.6	4.9	1311.2	3.6	1358.4	3.6	12.6
STANDARDIZED TESTS	70.4	76.8	9.1	83.6	8.9	90.6	8.4	28.7
SUBSCRIPTION REFERENCE	306.9	347.9	13.4	370.6	6.5	390.2	5.3	27.1
AV & OTHER MEDIA (TOTAL)	148.0	143.0	-3.4	175.0	22.4	199.5	14.0	34.8
ELHI	130.1	124.3	-4.5	152.3	22.5	173.9	14.2	33.7
COLLEGE	7.9	7.6	-3.8	8.8	15.8	9.9	12.5	25.3
OTHER	10.0	11.0	11.1	13.9	25.2	15.7	12.9	57.0
OTHER SALES	162.1	169.7	4.7	169.4	-0.2	187.8	10.9	15.9
TOTAL	8396.9	9167.5	9.2	9729.2	6.1	10553.1	8.5	25.7

A discussion of this table, and accompanying footnotes appear on page xx.

Continued on page xix

TABLE S1 - ESTIMATED BOOK PUBLISHING INDUSTRY SALES 1982-1988

Continued from page xviii

	1986		1987				1988		
	$	PCT CHG FROM 85	$	PCT CHG FROM 86	PCT CHG FROM 82	CAGR 87/82	$	PCT CHG FROM 87	CAGR 88/82
TRADE (TOTAL)	2340.6	5.9	2712.8	15.9	79.3	12.4	3036.4	11.9	12.3
ADULT HARDBOUND	1146.4	3.0	1350.6	17.8	75.2	11.9	1433.0	6.1	10.9
ADULT PAPERBOUND	647.8	4.1	727.1	12.2	58.7	9.7	852.2	17.2	10.9
JUVENILE HARDBOUND	415.0	15.7	478.5	15.3	131.3	18.3	558.4	16.7	18.0
JUVENILE PAPERBOUND	131.4	12.4	156.6	19.2	103.1	15.2	192.8	23.1	16.5
RELIGIOUS (TOTAL)	572.7	6.7	638.8	11.5	50.1	8.4	675.9	5.8	8.0
BIBLES, TESTAMENTS, HYMNALS & PRAYER-BOOKS	163.6	4.7	177.6	8.6	19.1	3.6	185.9	4.7	3.7
OTHER RELIGIOUS	409.1	7.5	461.2	12.7	66.9	10.8	490.0	6.2	10.0
PROFESSIONAL (TOTAL)	2076.5	7.7	2207.3	6.3	43.7	7.5	2411.9	9.3	7.8
BUSINESS	352.5	9.7	388.8	10.3	73.4	11.6	446.0	14.7	12.1
LAW	732.4	6.8	780.0	6.5	39.1	6.8	833.0	6.8	6.8
MEDICAL	390.1	7.3	406.5	4.2	41.5	7.2	445.9	9.7	7.6
TECHNICAL, SCIENTIFIC & OTHER PROF'L	601.5	7.9	632.0	5.1	36.2	6.4	687.0	8.7	6.8
BOOK CLUBS	608.2	1.7	678.7	11.6	29.8	5.4	690.2	1.7	4.7
MAIL ORDER PUBLICATIONS	650.4	3.3	657.6	1.1	15.7	3.0	697.7	6.1	3.5
MASS MARKET PAPERBACK RACK-SIZED	809.3	0.7	913.7	12.9	29.9	5.4	1006.9	10.2	6.2
UNIVERSITY PRESSES	159.4	8.6	170.9	7.2	36.3	6.4	198.1	15.9	7.9
ELEMENTARY & SECONDARY TEXT	1595.1	8.3	1695.6	6.3	53.0	8.9	1783.8	5.2	8.3
COLLEGE TEXT	1436.1	5.7	1549.5	7.9	28.5	5.2	1716.8	10.8	6.1
STANDARDIZED TESTS	97.3	7.4	104.0	6.9	47.7	8.1	111.4	7.1	7.9
SUBSCRIPTION REFERENCE	410.9	5.3	437.6	6.5	42.6	7.4	473.9	8.3	7.5
AV & OTHER MEDIA (TOTAL)	211.1	5.8	213.0	0.9	43.9	7.5	207.9	-2.4	5.8
ELHI	177.4	2.0	174.7	-1.5	34.3	6.1	166.7	-4.6	4.2
COLLEGE	13.5	36.4	15.1	11.9	91.1	13.8	15.0	-0.7	11.3
OTHER	20.2	28.7	23.2	14.9	132.0	18.3	26.2	12.9	17.4
OTHER SALES	196.2	4.5	210.8	7.4	30.0	5.4	218.2	3.5	5.1
TOTAL	11163.8	5.8	12190.3	9.2	45.2	7.7	13229.1	8.5	7.9

A discussion of this table, and accompanying footnotes appear on page xx.

TABLE S1 - ESTIMATED BOOK PUBLISHING INDUSTRY SALES 1982-1988

Continued from page xix

The industry estimates shown in Table S-1 are based on the U.S. Census of Manufactures. This Census is conducted every fifth year, and the preliminary results of the 1987 Census have just been released (August 1989). [Final results are scheduled for the Spring of 1990].

Based on these new figures, and the Census Department's own adjustments to their 1982 values, we have revised the Table S-1 data for the period since 1982. It seems proper to align the AAP estimates, and to adjust some of the detail to conform with the divisions shown in the Census as the U.S. Census of Manufactures is the acknowledged source of these Industry Statistics.

Between censuses, the AAP estimates are "pushed forward" by the percentage changes that are reported to the AAP statistics program, and by other industry data that are available. The last major alignment of AAP-Census data took place after the 1977 Census. Only minor adjustments were made when the 1982 Census was issued. Users of this volume are invited to compare the values in this Table S-1 with those of the past few years.

However, we caution the user on mixing data from prior volumes with that of this 1988 AAP Industry Statistics. We have, as with past Censuses, made adjustments to the data for certain known deficiencies: reporting by not-for-profit publishers; for publishing by non-traditional organizations; by Canadian publishers printing & selling product in the U.S., etc.

In addition, AAP has traditionally shown detail within Professional Publishing for Technical & Scientific, Business and Other Professional, and Medical publishing. In this table, as in the Census, we show: Business, Law, Medical, and Technical, Scientific & Other Professional publishing.

As in prior reports, the estimates reflect the impact of the industry expansion created by new establishments entering the field, in addition to incorporating the sales increases or decreases of established firms.

A new column this year "CAGR 87/82" gives the compound annual growth rate for the indicated industry segment for the period from 1982 to 1987. This is similar to compound interest in banking. The column immediately to the left shows the total growth for the same period as a percent of the 1982 value. A similar column "CAGR 88/82" is presented for the 1982 to 1988 period.

As noted above, readers comparing the estimated data with Census reports should recall that the U.S. Census of Manufactures does not include data on most university presses nor on other institutionally sponsored and not-for-profit publishing activities, nor (under SIC 2731: Book Publishing) for the audiovisual and other media materials which are included in this table. On the other hand, AAP estimates have traditionally excluded Sunday School Materials, and certain pamphlets which are incorporated in the Census data.

It should be noted that the "Other Sales" category in Table S1 includes only incidental book sales, such as music, sheet sales (both domestic and export, except those to prebinders), and miscellaneous merchandise sales.

Estimates include domestic sales and export sales only and do not cover indigenous activities of publishers' foreign subsidiaries.

Non-rack-size Mass Market Publishing is included in Trade-Paperbound. In prior volumes this was indicated as "Adult Trade Paperbound". We recognize that part of this is Juvenile (1987 estimate: 20%), and adjustments have been made in this respect. We also note that this area includes sales through traditional "mass market paperback channels" by publishers not generally recognized as being "mass market paperback". Total non-rack-sized publishing through mass market channels is estimated for the period from 1982 forward:

(Percent of Total Trade-Paperbound)

1982	21.2%	1986	24.1%
1983	23.2	1987	28.2
1984	26.9	1988	33.0
1985	23.0		

Annually, the Higher Education Division of AAP requests the Statistical Service Center to conduct an independent survey of college publishers. For 1988, this survey of 51 college publishers, which in the opinion of the AAP Higher Education Division Statistics Committee represent the majority of known college publishers, reported sales of $1,249.3 million. The results of this survey, and a list of the participants, are presented as Table G-1.

SECTION A - TRADE AND RELIGIOUS BOOK PUBLISHERS AND DIVISIONS

Please refer to the GENERAL INSTRUCTIONS AND DEFINITIONS, and the specific instructions and definitions for this divisional survey in QUESTIONNAIRE FORM A (available on request from the AAP New York Office) to insure the correct interpretation of this report. Furthermore, the methodology used in gathering and reporting data, which is discussed in the INTRODUCTION should be reviewed for a full understanding of the tables and text.

SALES DATA

Table A1 provides sales comparisons between 1988 and 1987 based on data furnished by 52 participating trade and religious publishers. This includes data gathered in this Survey and from the Monthly AAP Sales Report Program.

Trade and religious book publishers reported 1988 net sales of $1579.6 million to the AAP Statistics Program. Based on the industry estimates shown in **Table S1**, the reported sales represent 42.6% of the total trade and religious book sales of our industry.

Table A2 provides sales data by type of book for 1988 and 1987 in both dollars and units.

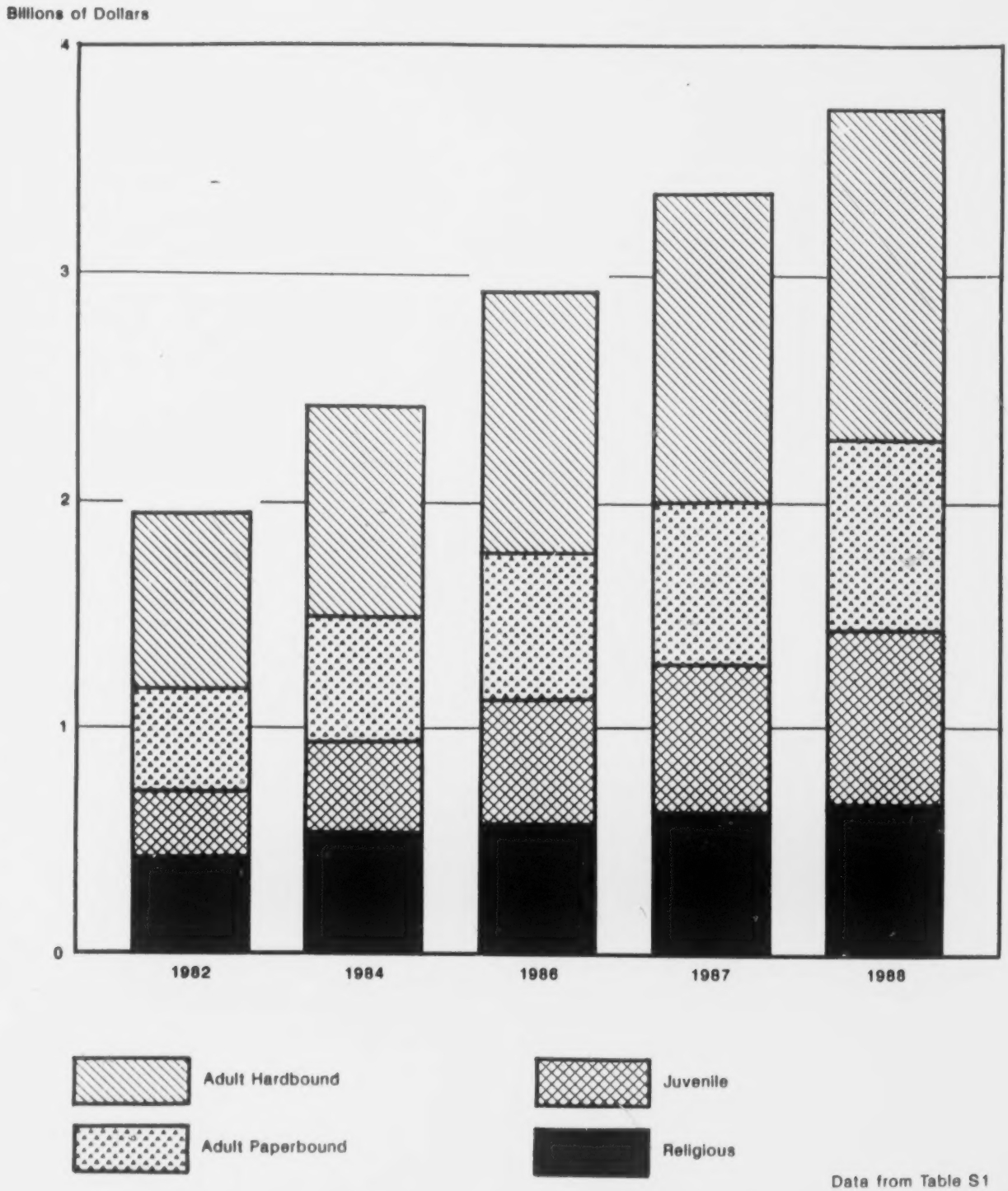
TABLE A1 - ACTUAL AND ESTIMATED TRADE AND RELIGIOUS BOOK SALES

MILLIONS OF DOLLARS -- AS REPORTED BY 52 PUBLISHERS
WITH ESTIMATES OF TOTAL INDUSTRY TRADE BOOK SALES

	1988		1987		PERCENT CHANGE	
	ACTUAL REPORTS	EST. TOTAL	ACTUAL REPORTS	EST. TOTAL	ACTUAL REPORTS	EST. TOTAL
GROSS SALES	2001.3	4639.8	1734.2	4181.2	15.4	11.0
RETURNS	421.7	927.5	328.0	829.6	28.6	11.8
NET SALES	1579.6	3712.3	1406.2	3351.6	12.3	10.8

	1988			1987		
	ACTUAL REPORTED		ESTIMATED	ACTUAL REPORTED		ESTIMATED
	AVERAGE	MID-RANGE	AVERAGE	AVERAGE	MID-RANGE	AVERAGE
PERCENT RETURNS TO GROSS	21.1	6.3 TO 22.5	20.0	18.9	6.0 TO 20.2	19.8

FIGURE A1 - ESTIMATED TRADE AND RELIGIOUS BOOKS NET SALES 1982, 1984, 1986-1988



Data from Table S1

TABLE A2 - TRADE BOOK SALES BY TYPE OF BOOK

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 40 PUBLISHERS

	GROSS SALES									
	1988		1987		PERCENT CHANGE		YOUR DATA			
	$	UNITS	$	UNITS	$	UNITS				
ADULT HARDBOUND	831752	94713	736029	96791	13.0	-2.1				
ADULT PAPERBOUND	382711	86484	316005	79030	21.1	9.4				
JUVENILE HARDBOUND	269382	90283	229717	85380	17.3	5.7				
JUVENILE PAPERBOUND	85860	53195	67095	53665	28.0	-0.9				
BIBLES, TESTAMENTS, HYMNALS & PRAYERBOOKS	14778	1195	11398	1049	29.7	13.9				
OTHER RELIGIOUS	24464	6283	21883	5647	11.8	11.3				
OTHER	86398	13624	74173	8500	16.5	60.3				
TOTAL	1695344	345776	1456300	330062	16.4	4.8				

	RETURNS									
	1988		1987		PERCENT CHANGE		YOUR DATA			
	$	UNITS	$	UNITS	$	UNITS				
ADULT HARDBOUND	247319	27272	183337	22046	34.9	23.7				
ADULT PAPERBOUND	63888	15419	52385	14460	22.0	6.6				
JUVENILE HARDBOUND	30515	10699	25359	7457	20.3	43.5				
JUVENILE PAPERBOUND	8539	6942	7454	4961	14.6	39.9				
BIBLES, TESTAMENTS, HYMNALS & PRAYERBOOKS	211	16	229	16	-7.9	0.0				
OTHER RELIGIOUS	2520	449	2686	492	-6.2	-8.7				
OTHER	5495	636	5434	466	1.1	36.5				
TOTAL	358488	61432	276884	49899	29.5	23.1				

Continued on page A-4

TABLE A2 - TRADE BOOK SALES BY TYPE OF BOOK

Continued from page A-3

	NET SALES								
	1988		1987		PERCENT CHANGE		YOUR DATA		
	$	UNITS	$	UNITS	$	UNITS			
ADULT HARDBOUND	584433	67441	552692	74745	5.7	-9.8			
ADULT PAPERBOUND	318823	71065	263620	64570	20.9	10.1			
JUVENILE HARDBOUND	238867	79584	204358	77923	16.9	2.1			
JUVENILE PAPERBOUND	77321	46253	59641	48704	29.6	-5.0			
BIBLES, TESTAMENTS, HYMNALS & PRAYERBOOKS	14567	1179	11169	1033	30.4	14.1			
OTHER RELIGIOUS	21944	5834	19197	5155	14.3	13.2			
OTHER	80903	12988	68739	8034	17.7	61.7			
TOTAL	1336856	284344	1179416	280163	13.3	1.5			

	1988 PERCENT RETURNS TO GROSS								
	DOLLARS			UNITS			YOUR DATA		
	AVERAGE	MID-RANGE		AVERAGE	MID-RANGE				
ADULT HARDBOUND	29.7	14.7 TO	35.0	28.8	11.7 TO	33.4			
ADULT PAPERBOUND	16.7	10.3 TO	19.8	17.8	10.8 TO	19.6			
JUVENILE HARDBOUND	11.3	7.6 TO	14.3	11.9	6.4 TO	16.0			
JUVENILE PAPERBOUND	9.9	6.4 TO	11.1	13.1	6.4 TO	16.4			
BIBLES, TESTAMENTS, HYMNALS & PRAYERBOOKS	1.4			1.3					
OTHER RELIGIOUS	10.3	7.4 TO	12.6	7.1	5.2 TO	10.3			
OTHER	6.4	2.3 TO	10.4	4.7	2.4 TO	10.0			
TOTAL	21.1	7.5 TO	22.8	17.8	5.6 TO	19.2			

Continued on page A-5

TABLE A2 - TRADE BOOK SALES BY TYPE OF BOOK

Continued from page A-4

	1987 PERCENT RETURNS TO GROSS					
	DOLLARS		UNITS		YOUR DATA	
	AVERAGE	MID-RANGE	AVERAGE	MID-RANGE		
ADULT HARDBOUND	24.9	13.6 TO 27.3	22.8	11.5 TO 26.0		
ADULT PAPERBOUND	16.6	8.7 TO 22.0	18.3	10.5 TO 22.4		
JUVENILE HARDBOUND	11.0	6.2 TO 18.4	8.7	6.2 TO 13.9		
JUVENILE PAPERBOUND	11.1	5.8 TO 20.0	9.2	5.6 TO 12.3		
BIBLES, TESTAMENTS, HYMNALS & PRAYERBOOKS	2.0		1.5			
OTHER RELIGIOUS	12.3	7.3 TO 15.8	8.7	4.7 TO 13.4		
OTHER	7.3	6.0 TO 20.5	5.5	2.4 TO 15.8		
TOTAL	19.0	7.7 TO 21.0	15.1	7.3 TO 19.7		

	DOLLARS PER UNIT NET SALES					
	1988		1987		YOUR DATA	
	$-AVG	$-RANGE-AVG	$-AVG	$-RANGE-AVG		
ADULT HARDBOUND	8.67	3.24 TO 30.75	7.39	2.90 TO 31.81		
ADULT PAPERBOUND	4.49	3.02 TO 22.31	4.08	2.40 TO 20.93		
JUVENILE HARDBOUND	3.00	1.46 TO 12.84	2.62	1.16 TO 11.56		
JUVENILE PAPERBOUND	1.67	0.74 TO 4.47	1.22	0.48 TO 4.18		
BIBLES, TESTAMENTS, HYMNALS & PRAYERBOOKS	12.36	2.08 TO 16.75	10.81	1.64 TO 21.08		
OTHER RELIGIOUS	3.76	2.68 TO 5.55	3.72	2.72 TO 6.20		
OTHER	6.23		8.56			
TOTAL	4.70	1.96 TO 29.21	4.21	1.28 TO 30.22		

Note that the ranges for dollars per unit net sales in **Table A2** are **ranges of averages** reported by participating publishers.

TABLE A3 - DOMESTIC NET TRADE BOOK SALES BY TYPE OF CUSTOMER

THOUSANDS OF DOLLARS - AS REPORTED BY 38 PUBLISHERS

	ALL SALES		ADULT HARDBOUND		ADULT PAPERBOUND		YOUR DATA			
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL				
BOOKSTORES (TOTAL)	556001	46.5	235063	47.3	165310	58.6				
GENERAL	226267	40.3	99518	45.2	54433	52.2				
COLLEGE	11788	2.1	3115	1.4	5703	5.5				
RELIGIOUS	22563	4.0	1595	0.7	992	1.0				
PAPERBACK	0	0.0	0	0.0	0	0.0				
UNSPECIFIED	295383		130835		104182					
OTHER RETAIL OUTLETS	53031	4.4	16706	3.4	32603	11.6				
WHOLESALERS	377530	31.6	182691	36.8	46560	16.5				
PREBINDERS	752	0.1	3	0.0	147	0.1				
LIBRARIES & INSTITUTIONS (TOTAL)	79891	6.7	7886	1.6	12877	4.6				
PUBLIC LIBRARIES	10864	1.8	693	0.4	404	0.4				
COLLEGES & UNIVS.	10450	1.8	457	0.3	3134	3.0				
SCHOOLS	7832	1.3	1015	0.6	578	0.6				
OTHER	10170	1.7	386	0.2	675	0.6				
UNSPECIFIED	40575		5335		8086					
MASS MARKET OUTLETS	31357	2.6	5147	1.0	3855	1.4				
REMAINDER SALES	8679	0.7	4203	0.8	1623	0.6				
SPECIAL SALES	54032	4.5	17345	3.5	15946	5.7				
DIRECT TO CONSUMER	35093	2.9	27492	5.5	3134	1.1				
TOTAL	1196367	100.0	496536	100.0	282055	100.0				

Continued on page A-7

TABLE A3 - DOMESTIC NET TRADE BOOK SALES BY TYPE OF CUSTOMER

Continued from page A-6

	JUVENILE HARDBOUND		JUVENILE PAPERBOUND		RELIGIOUS		YOUR DATA			
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL				
BOOKSTORES (TOTAL)	72407	33.4	33084	54.8	22047	62.0				
GENERAL	54972	33.2	15617	49.7	301	1.1				
COLLEGE	64	0.0	1474	4.7	828	2.9				
RELIGIOUS	232	0.1	142	0.5	16591	58.1				
PAPERBACK	0	0.0	0	0.0	0	0.0				
UNSPECIFIED	17139		15851		4327					
OTHER RETAIL OUTLETS	667	0.3	506	0.8	0	0.0				
WHOLESALERS	89783	41.4	16238	26.9	10064	28.3				
PREBINDERS	449	0.2	153	0.3	0	0.0				
LIBRARIES & INSTITUTIONS (TOTAL)	23529	10.9	1733	2.9	32	0.1				
PUBLIC LIBRARIES	345	1.7	34	0.3	11	0.0				
COLLEGES & UNIVS.	260	1.3	151	1.2	4	0.0				
SCHOOLS	1558	7.8	176	1.4	16	0.0				
OTHER	3	0.0	7	0.1	1	0.0				
UNSPECIFIED	21363		1365		0					
MASS MARKET OUTLETS	18986	8.8	3353	5.6	0	0.0				
REMAINDER SALES	933	0.4	406	0.7	0	0.0				
SPECIAL SALES	8662	4.0	3924	6.5	2431	6.8				
DIRECT TO CONSUMER	1320	0.6	921	1.5	985	2.8				
TOTAL	216736	100.0	60319	100.0	35559	100.0				

In **Table A3**, as in other succeeding tables the data appearing in the column headed "All Sales" does not represent a total of the items shown horizontally in the remaining columns. Some reporting publishers have provided breakdowns of sales by product, summarized in the detail columns, others have not. However, all sales reported, whether detailed in other columns or not, are included in the "All Sales" column.

The "percentage of total" shown represents the portion of sales in a product category marketed to the customer type listed in the stub.

TABLE A4 - NET TRADE BOOK SALES BY GEOGRAPHICAL LOCATION

THOUSANDS OF DOLLARS - AS REPORTED BY 41 PUBLISHERS

	ALL SALES		ADULT HARDBOUND		ADULT PAPERBOUND		YOUR DATA			
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL				
UNITED STATES	1283743	95.1	554977	95.4	292398	95.6				
CANADA	35886	2.7	15370	2.6	5566	1.8				
FOREIGN (TOTAL)	30769	2.3	11193	1.9	8022	2.6				
AUSTRALIA & N.ZEALAND	1085	0.3	676	0.2						
JAPAN	1349	0.3	596	0.2						
OTHER ASIA	1145	0.3	550	0.2						
UNITED KINGDOM	1196	0.3	697	0.2						
CONTINENTAL EUROPE	3867	0.9	3217	1.0						
AFRICA	233	0.1	130	0.0						
MIDDLE EAST	109	0.0	55	0.0						
CARIBBEAN	113	0.0	87	0.0						
LATIN AMERICA	202	0.0	134	0.0						
MILITARY	56	0.0	27	0.0						
UNSPECIFIED	21414		5024							
TOTAL	1350397	100.0	581540	100.0	305987	100.0				

	JUVENILE HARDBOUND		JUVENILE PAPERBOUND		RELIGIOUS		YOUR DATA			
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL				
UNITED STATES	238702	96.1	72575	97.3	23595	95.7				
CANADA	7033	2.8	803	1.1	616	2.5				
FOREIGN (TOTAL)	2707	1.1	1242	1.7	447	1.8				
AUSTRALIA & N.ZEALAND					147	0.6				
JAPAN					4	0.0				
OTHER ASIA					79	0.3				
UNITED KINGDOM					108	0.5				
CONTINENTAL EUROPE					16	0.1				
AFRICA					29	0.1				
MIDDLE EAST					0	0.0				
CARIBBEAN					26	0.1				
LATIN AMERICA					2	0.0				
MILITARY					5	0.0				
UNSPECIFIED					31					
TOTAL	248443	100.0	74621	100.0	24658	100.0				

Note: The foreign detail of "Adult Paperbound" and "Juvenile" have been suppressed due to lack of sufficient reports.

TABLE A5 - OPERATING DATA OF TRADE BOOK PUBLISHERS-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 21 PUBLISHERS

	ALL PUBLISHERS			YOUR DATA			
	$	PERCENT OF NET SALES					
		%	MID-RANGE				
GROSS SALES	1189946	124.4	108.5 TO 134.0				
RETURNS AND ALLOWANCES	233542	24.4	8.5 TO 34.0				
NET SALES	956403	100.0	100.0 TO 100.0				
COST OF SALES							
MANUFACTURING	355449	37.5	31.7 TO 44.5				
ROYALTIES	152204	16.1	6.9 TO 19.9				
UNSPECIFIED	5184						
TOTAL COST OF SALES	512837	53.6	49.3 TO 59.5				
GROSS MARGIN ON SALES	443566	46.4	40.5 TO 50.7				
OTHER INCOME	60808	6.4	2.3 TO 11.5				
OPERATING EXPENSE							
EDITORIAL	60484	6.4	4.0 TO 8.0				
PRODUCTION	13028	1.4	1.1 TO 2.2				
MARKETING	146225	15.4	13.4 TO 19.0				
FULFILLMENT	74554	7.8	5.4 TO 10.6				
GENERAL & ADMIN.	101234	10.6	8.3 TO 14.5				
UNSPECIFIED	1890						
TOTAL OPERATING EXPENSE	397415	41.6	35.2 TO 53.1				
INCOME FROM OPERATIONS*	106959	11.2	6.0 TO 22.6				

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

Continued on page A-10

OPERATING DATA

Operating data of Trade and Religious Publishers are reported in two sections. The first section, **Tables A5 through A14,** provides some breakdown by type of book; the second section, **Tables A15 through A24,** analyzes the data by size of publisher.

Tables A5 and A15 are summary tables, offering composite income statements of the reporting publishers. The remaining tables detail specific expense areas.

Publishers, while asked to provide sales data on a calendar year basis, were given the option to furnish operating information on a fiscal year basis. 6 publishers exercised this fiscal year option. The months terminating their reporting year are listed below, together with the number of publishers for each period:

March - 2
September - 3
October - 1

In **Tables A5 through A14,** the column headed "All Publishers" does not represent a total of the items shown horizontally in the remaining columns. Some reporting publishers have provided breakdowns of operating data by product line, summarized in the detail columns, while others have not. However, all data reported, whether detailed in other columns or not, are included in the "All Publishers" column.

TABLE A5 - OPERATING DATA OF TRADE BOOK PUBLISHERS-BY TYPE OF BOOK

Continued from page A-9

	ADULT HARDBOUND			ADULT PAPERBOUND		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	436561	140.8	119.9 TO 161.9	211419	124.3	115.8 TO 140.8
RETURNS AND ALLOWANCES	126438	40.8	19.9 TO 61.9	41394	24.3	15.8 TO 40.8
NET SALES	310124	100.0	100.0 TO 100.0	170025	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	111402	36.2	32.7 TO 51.5	58424	34.4	31.2 TO 37.3
ROYALTIES	72330	23.5	19.3 TO 23.0	29180	17.2	12.0 TO 20.4
UNSPECIFIED	1417			0		
TOTAL COST OF SALES	185149	59.7	49.7 TO 71.7	87604	51.5	45.6 TO 58.9
GROSS MARGIN ON SALES	124973	40.3	28.3 TO 50.3	82421	48.5	41.1 TO 54.4
OTHER INCOME	36640	11.8	9.5 TO 22.2	4397	2.6	0.2 TO 8.2
OPERATING EXPENSE						
EDITORIAL	20493	6.7	4.0 TO 8.2	9119	5.4	2.6 TO 7.7
PRODUCTION	4522	1.5	1.3 TO 2.1	2294	1.3	0.9 TO 2.1
MARKETING	52718	17.2	15.3 TO 17.7	24314	14.3	11.2 TO 16.5
FULFILLMENT	23370	7.6	6.3 TO 11.1	15573	9.2	6.7 TO 13.7
GENERAL & ADMIN.	31280	10.2	8.7 TO 14.0	16565	9.7	8.4 TO 14.1
UNSPECIFIED	1890			0		
TOTAL OPERATING EXPENSE	134273	43.3	37.8 TO 53.2	67867	39.9	35.9 TO 46.2
INCOME FROM OPERATIONS*	27340	8.8	-4.2 TO 36.4	18951	11.1	2.8 TO 21.0

	JUVENILE			RELIGIOUS		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	283245	110.8	109.0 TO 114.8	32290	112.8	104.0 TO 114.4
RETURNS AND ALLOWANCES	27697	10.8	9.0 TO 14.8	3668	12.8	4.0 TO 14.4
NET SALES	255548	100.0	100.0 TO 100.0	28622	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	105418	41.3	38.8 TO 45.4	9137	31.9	28.8 TO 70.4
ROYALTIES	28555	11.2	6.7 TO 18.5	4802	16.8	
UNSPECIFIED	0			0		
TOTAL COST OF SALES	133973	52.4	49.2 TO 59.5	13939	48.7	48.0 TO 70.4
GROSS MARGIN ON SALES	121575	47.6	40.5 TO 50.8	14683	51.3	29.6 TO 52.0
OTHER INCOME	12554	4.9	2.1 TO 7.2	175	0.6	
OPERATING EXPENSE						
EDITORIAL	11103	4.3	3.6 TO 6.4	389	1.4	
PRODUCTION	2795	1.1	0.7 TO 2.7	194	0.7	
MARKETING	38491	15.1	11.3 TO 20.1	4235	14.8	1.4 TO 14.9
FULFILLMENT	23185	9.1	7.4 TO 12.6	1467	5.1	4.2 TO 7.2
GENERAL & ADMIN.	24748	9.7	7.1 TO 12.0	3205	11.2	2.8 TO 11.7
UNSPECIFIED	0			0		
TOTAL OPERATING EXPENSE	100322	39.3	32.6 TO 44.5	9490	33.2	8.5 TO 33.3
INCOME FROM OPERATIONS*	33807	13.2	6.1 TO 20.5	5368	18.8	15.9 TO 21.1

TABLE A6 - MANUFACTURING EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 18 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $863,032,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
BEGINNING INVENTORY	158628	18.4	42038	17.7	24666	15.5	48573	22.1	4342	15.2
PURCHASES (TOTAL)	361850	41.9	110972	46.6	63118	39.6	100285	45.6	11184	39.1
PLANT COSTS	34292	4.7	13075	6.5	4774	3.9	7261	3.9	9	0.2
PAPER, PRINTING & BINDING	271458	37.2	80060	40.1	44338	35.8	78635	41.7	2060	38.9
UNSPECIFIED	56099		17838		14007		14389		9115	
COST OF FREE BOOKS	4617	0.5	1905	0.8	615	0.4	1435	0.7	214	0.7
WRITE DOWNS	34034	3.9	14834	6.2	5346	3.4	7362	3.3	174	0.6
ENDING INVENTORY AFTER WRITE DOWNS	190561	22.1	54239	22.8	32139	20.2	54874	24.9	6175	21.6
TOTAL MANUFACTURING EXP.	325299	37.7	96866	40.7	55030	34.5	92549	42.1	9137	31.9

The composite manufacturing cost figure in Table A6 includes data that reflect varying treatments of plant costs. Since a levelling effect takes place when the data are consolidated, the possibility of distortion is minimized. Nevertheless, a publisher who compares his own data with those in the survey should bear in mind that the inventory and purchase figures shown represent a mix that includes plant costs being written off, plant costs being amortized, and plant costs that have been inventoried.

To place the survey data in perspective, the practices of some of the participating publishers are shown below:

Written off as incurred - 4
Written off on publication - 6
Written into inventory - 1

Amortized separately parallel to sales of first printing - 1
Amortized over 1 year - 2
Amortized over 2 years - 1
Amortized over 5 years - 1

Plant costs expensed as incurred, those over $100,000 are capitalized - 1

Various treatments (as above) depending on dollar amount and division - 2

TABLE A7 - ROYALTY EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 18 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $859,336,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ROYALTIES PAID	117722	13.7	54413	19.9	22268	14.4	21571	9.8	4558	18.9
FEES IN LIEU OF ROYALTIES	332	0.0	25	0.0	36	0.0	37	0.0	0	0.0
ADVANCES WRITTEN OFF	20421	2.4	11622	4.2	4464	2.9	1959	0.9	60	0.2
TOTAL ROYALTIES	138475	16.1	66061	24.1	26768	17.3	23567	10.7	4618	19.1

In Table A7 in addition to providing operating data on royalties, publishers were asked to report the level of royalty advances carried on their balance sheets at reporting year end. A total of 16 publishers with combined net sales of $843.5 million responded, reporting a total aggregate advance of $163.7 million (19.4% of net sales). 10 publishers with adult hardbound net sales of $259.8 million reported advances of $125.1 million (48.1% of net sales); 7 publishers with adult paperbound net sales of $155.0 million reported advances of $11.5 million (7.4% of net sales); and 8 publishers with juvenile net sales of $219.5 million reported advances of $13.9 million (6.3% of net sales), all at reporting year end. Replies by religious book publishers were insufficient to report here.

TABLE A8 - OTHER PUBLISHING INCOME-BY TYPE OF BOOK

THOUSANDS OF DOLLARS

	6 PUBLISHERS WITH NET SALES OF $406,780,000						4 PUBLISHERS WITH NET SALES -- $127,116,000	
	TOTAL INCOME		AUTHORS' SHARE		PUBL. SHARE		PUBL. SH. ONLY	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SUBSIDIARY RIGHTS (TOTL)	53909	13.3	26220	6.4	27688	6.8	8425	6.6
REPRINT - HARDBOUND	555	0.1	191	0.0	363	0.1	640	0.8
REPRINT - PAPERBOUND	18823	4.6	9077	2.2	9746	2.4	1710	2.1
BOOK CLUB	16211	4.0	8978	2.2	7233	1.8	1491	1.8
PERMISSIONS	934	0.2	467	0.1	467	0.1	884	1.1
FOREIGN & TRANSLATION	5354	1.3	4574	1.1	780	0.2	711	0.9
SERIAL, DIGEST & SYNDICATION	577	0.1	481	0.1	96	0.0	57	0.0
OTHER	11455	2.8	2452	0.6	9002	2.2	23	0.0
UNSPECIFIED	0		0		0		2909	
GENERAL	4060	1.0	249	0.1	3812	0.9	2643	2.1
TOTAL OTHER INCOME	57969	14.3	26469	6.5	31500	7.7	11068	8.7

9 PUBLISHERS WITH NET SALES OF $628,864,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SUBSIDIARY RIGHTS (TOTL)	65937	10.5	45723	18.8	6904	6.8	12529	6.5		
REPRINT - HARDBOUND	5597	0.9	4668	1.9	222	0.2	681	0.4		
REPRINT - PAPERBOUND	18923	3.0	13964	5.7	2869	2.8	1998	1.0		
BOOK CLUB	19420	3.1	11708	4.8	2364	2.3	5151	2.7		
PERMISSIONS	1543	0.2	663	0.3	143	0.1	724	0.4		
FOREIGN & TRANSLATION	7813	1.2	4907	2.0	1085	1.1	1498	0.8		
SERIAL, DIGEST & SYNDICATION	996	0.2	629	0.3	110	0.1	182	0.1		
OTHER	11644	1.9	9183	3.8	111	0.1	2295	1.2		
GENERAL	5928	0.9	3618	1.5	293	0.3	1889	1.0		
TOTAL OTHER PUBL. INCOME	71865	11.4	49341	20.3	7196	7.1	14418	7.4		
AUTHORS' SHARE	29633	4.7	20771	8.6	3826	3.8	4727	2.4		
PUBLISHER'S SHARE	42232	6.7	28570	11.8	3371	3.3	9691	5.0		

In **Table A8**, publishers are asked to report all subsidiary income and to show authors' shares and publishers' shares separately. As some respondents are unable to comply with some details of this request, data are reported here in two ways: in the upper section data are summarized by type of income for 6 publishers who are able to separate authors' shares from their own, as well as (in the right-hand panel), for 4 other publishers who are able to report only their own shares. In the lower section data are summarized by type of book for 9 publishers reporting both authors' shares and their own.

Data for Religious Book Publishers have been suppressed to prevent disclosure.

TABLE A9 - EDITORIAL EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 19 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $877,013,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
EDITORIAL EXPENSE										
SALARIES	33080	3.8	10792	3.8	5018	3.1	5780	2.6	216	0.8
BENEFITS	5981	0.7	1960	0.7	916	0.6	854	0.4	51	0.2
OUTSIDE EDITORIAL EXP	5400	0.6	1500	0.5	540	0.3	621	0.3	48	0.2
TRAVEL & ENTERTAINMNT	2649	0.3	1027	0.4	466	0.3	391	0.2	36	0.1
OTHER	9063	1.0	3614	1.3	1446	0.9	1491	0.7	38	0.1
TOTAL EDITORIAL EXPENSE	56174	6.4	18893	6.7	8386	5.3	9137	4.2	388	1.4

TABLE A10 - PRODUCTION EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 18 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $863,032,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PRODUCTION EXPENSE										
SALARIES	8495	1.0	2985	1.1	1484	0.9	1797	0.8	114	0.4
BENEFITS	1400	0.2	497	0.2	267	0.2	270	0.1	26	0.1
OUTSIDE PRODUCT'N EXP	658	0.1	160	0.1	101	0.1	28	0.0	36	0.1
OTHER	1414	0.2	479	0.2	233	0.1	271	0.1	16	0.1
TOTAL PRODUCTION EXPENSE	11968	1.4	4122	1.5	2085	1.3	2365	1.1	193	0.7

TABLE A11 - MARKETING EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 17 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $649,940,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SELLING EXPENSE										
SALESMEN'S SALARIES & COMMISSIONS	13167	2.0	3009	1.8	1198	1.1	6411	3.9	31	0.1
SALESMEN'S BENEFITS	721	0.1	326	0.2	137	0.1	124	0.1	5	0.0
SALESMAN'S TRAVEL & ENTERTAINMENT	3140	0.5	1087	0.6	549	0.5	939	0.6	22	0.1
DEPARTMENTAL SALARIES	7093	1.1	1364	0.8	1315	1.2	1913	1.2	603	2.1
DEPARTMENTAL BENEFITS	1235	0.2	269	0.2	263	0.2	337	0.2	142	0.5
DEPARTMENTAL TRAVEL & ENTERTAINMENT	1436	0.2	274	0.2	301	0.3	426	0.3	226	0.8
OTHER	8049	1.2	3095	1.8	1249	1.1	1829	1.1	262	0.9
TOTAL SELLING EXPENSE	34841	5.4	9424	5.5	5013	4.4	11978	7.3	1290	4.5

Continued on page A-14

TABLE A11 - MARKETING EXPENSE-BY TYPE OF BOOK

Continued from page A-13

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PROMOTION										
DEPARTMENTAL SALARIES	7497	1.2	2139	1.3	975	0.9	1281	0.8	501	1.7
BENEFITS	1431	0.2	400	0.2	206	0.2	231	0.1	126	0.4
SPACE ADVERTISING	19097	2.9	10316	6.0	2546	2.3	2587	1.6	581	2.0
CATALOGS AND TRADE ADVERTISING	8630	1.3	1650	1.0	1262	1.1	3360	2.0	201	0.7
DIRECT MAIL	2558	0.4	744	0.4	251	0.2	286	0.2	512	1.8
PUBLICITY	3646	0.6	1458	0.9	694	0.6	349	0.2	1	0.0
FREE COPIES (INCLUDING POSTAGE)	6150	0.9	1744	1.1	1036	1.0	1906	1.2	273	1.0
EXHIBITS	2693	0.4	779	0.5	666	0.6	603	0.4	36	0.1
OTHER	7180	1.1	1179	0.7	2054	1.8	1692	1.0	715	2.5
TOTAL PROMOTION EXPENSE	58880	9.1	20410	11.9	9690	8.6	12295	7.4	2945	10.3
TOTAL MARKETING EXPENSE	93721	14.4	29834	17.5	14702	13.0	24273	14.7	4235	14.8

TABLE A12 - FULFILLMENT EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS

10 PUBLISHERS WITH NET SALES OF $602,992,000 -- INTERNAL FACILITIES	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ORDER PROCESSING										
SALARIES	5707	0.9	1850	0.8	1484	1.0	1444	1.0	155	0.5
BENEFITS	1311	0.2	412	0.2	399	0.3	325	0.2	37	0.1
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	2999	0.5	1351	0.6	658	0.5	897	0.6	24	0.1
EQUIPMENT & SUPPLIES	465	0.1	226	0.1	118	0.1	100	0.1	1	0.0
OTHER	926	0.2	386	0.2	277	0.2	144	0.1	15	0.1
TOTAL ORDER PROCESSING	11407	1.9	4224	1.9	2926	2.0	2910	2.0	232	0.8
SHIPPING & WAREHOUSING										
SALARIES	17480	2.9	6388	2.9	4861	3.4	5120	3.6	484	1.7
BENEFITS	3868	0.6	1474	0.7	1050	0.7	1179	0.8	93	0.3
OCCUPANCY	5654	0.9	2057	0.9	1566	1.1	1465	1.0	227	0.8
EQUIPMENT & SUPPLIES	2943	0.5	971	0.4	876	0.6	743	0.5	158	0.6
TRANSPORTATION CHRGES	3218	0.5	1228	0.6	1008	0.7	1167	0.8	179	0.6
OTHER	4805	0.8	1532	0.7	1471	1.0	1444	1.0	92	0.3
TOTAL SHIPPING AND WAREHOUSING	37969	6.3	13650	6.1	10834	7.5	11117	7.7	1233	4.3
TOTAL FULFILLMENT EXP. OF PUBLISHERS UTILIZING INTERNAL FACILITIES	49375	8.2	17874	8.0	13760	9.5	14027	9.7	1464	5.1

TABLE A13 - GENERAL AND ADMINISTRATIVE EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 19 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $877,013,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
MANAGEMENT SALARIES	12276	1.4	4183	1.5	1819	1.1	3171	1.4	537	1.9
MANAGEMENT BENEFITS	2310	0.3	663	0.2	346	0.2	652	0.3	104	0.4
ACCOUNTING SALARIES	7398	0.8	2238	0.8	1172	0.7	1623	0.7	140	0.5
ACCOUNTING BENEFITS	1312	0.1	431	0.2	218	0.1	321	0.1	26	0.1
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	9486	1.1	3502	1.2	1704	1.1	2760	1.3	254	0.9
GENERAL OFFICE BENEFITS	4310	0.5	1373	0.5	533	0.3	1254	0.6	49	0.2
GENERAL TRAVEL AND ENTERTAINMENT	1946	0.2	640	0.2	269	0.2	517	0.2	103	0.4
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	6496	0.7	1889	0.7	1255	0.8	2076	0.9	467	1.6
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	18319	2.1	6063	2.1	3093	1.9	4586	2.1	542	1.9
OTHER TAXES (EXCEPT INC. & PAYROLL TAXES)	1207	0.1	382	0.1	171	0.1	256	0.1	24	0.1
PERSONAL PROP. TAXES	643	0.1	156	0.1	71	0.0	113	0.1	7	0.0
ALL OTHER	456	0.1	200	0.1	69	0.0	108	0.0	0	0.0
UNSPECIFIED	108		26		31		35		17	
OTHER	27111	3.1	6093	2.2	4329	2.7	4040	1.8	960	3.4
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	92172	10.5	27458	9.7	14909	9.4	21257	9.7	3205	11.2

TABLE A14 - SUMMARY OF EMPLOYEE BENEFITS EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 14 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $762,273,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PENSIONS	3185	0.4	1116	0.5	556	0.5	855	0.5	121	0.5
DEFERRED PROFIT SHARING	1262	0.2	645	0.3	253	0.2	312	0.2	0	0.0
HOSP. & GROUP INSURANCE	9638	1.3	3051	1.4	1246	1.2	1784	1.1	208	0.9
PAYROLL TAXES	8343	1.1	2444	1.1	1113	1.0	1698	1.0	197	0.8
OTHER	917	0.1	285	0.1	157	0.1	163	0.1	52	0.2
TOTAL EMPLOYEE BENEFITS	23346	3.1	7541	3.4	3325	3.1	4812	2.9	578	2.4

TABLE A15 - OPERATING DATA OF TRADE BOOK PUBLISHERS-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 21 PUBLISHERS

	ALL PUBLISHERS			9 PUBLISHERS WITH NET SALES UNDER $20 MILLION		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	1189946	124.4	108.5 TO 134.0	105778	127.5	103.0 TO 135.2
RETURNS AND ALLOWANCES	233542	24.4	8.5 TO 34.0	22810	27.5	3.0 TO 35.2
NET SALES	956403	100.0	100.0 TO 100.0	82967	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	355449	37.5	31.7 TO 44.5	33172	44.8	31.3 TO 48.3
ROYALTIES	152204	16.1	6.9 TO 19.9	9625	13.0	5.1 TO 19.9
UNSPECIFIED	5184			5184		
TOTAL COST OF SALES	512837	53.6	49.3 TO 59.5	47981	57.8	44.6 TO 64.8
GROSS MARGIN ON SALES	443566	46.4	40.5 TO 50.7	34986	42.2	35.2 TO 55.4
OTHER INCOME	60808	6.4	2.3 TO 11.5	9042	10.9	1.9 TO 17.6
OPERATING EXPENSE						
EDITORIAL	60484	6.4	4.0 TO 8.0	5015	6.3	4.0 TO 8.6
PRODUCTION	13028	1.4	1.1 TO 2.2	1531	1.9	1.8 TO 6.7
MARKETING	146225	15.4	13.4 TO 19.0	14243	18.0	13.5 TO 23.5
FULFILLMENT	74554	7.8	5.4 TO 10.6	7656	9.7	4.3 TO 14.2
GENERAL & ADMIN.	101234	10.6	8.3 TO 14.5	12495	15.8	8.5 TO 15.9
UNSPECIFIED	1890			1890		
TOTAL OPERATING EXPENSE	397415	41.6	35.2 TO 53.1	42830	51.6	34.9 TO 73.1
INCOME FROM OPERATIONS*	106959	11.2	6.0 TO 22.6	1198	1.4	-5.5 TO 37.6

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

Continued on page A-17

TABLE A15 - OPERATING DATA OF TRADE BOOK PUBLISHERS-BY SIZE OF PUBLISHER

Continued from page A-16

	7 PUBLISHERS WITH NET SALES $20-$50 MILLION			5 PUBLISHERS WITH NET SALES ABOVE $50 MILLION		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	342992	118.8	106.9 TO 134.7	741176	126.8	122.2 TO 134.0
RETURNS AND ALLOWANCES	54257	18.8	6.9 TO 34.7	156475	26.8	22.2 TO 34.0
NET SALES	288735	100.0	100.0 TO 100.0	584701	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	108630	37.6	19.8 TO 44.5	213647	36.5	32.3 TO 40.8
ROYALTIES	32660	11.3	5.4 TO 20.2	109919	18.8	15.2 TO 22.8
UNSPECIFIED	0			0		
TOTAL COST OF SALES	141290	48.9	30.7 TO 60.3	323566	55.3	50.9 TO 58.4
GROSS MARGIN ON SALES	147445	51.1	39.7 TO 69.3	261135	44.7	41.6 TO 49.1
OTHER INCOME	12629	4.4	2.1 TO 8.9	39137	6.7	4.2 TO 10.7
OPERATING EXPENSE						
EDITORIAL	24632	8.5	4.0 TO 6.2	30837	5.3	2.5 TO 7.3
PRODUCTION	4923	1.7	1.0 TO 2.1	6574	1.1	0.8 TO 1.7
MARKETING	40278	13.9	10.1 TO 17.3	91704	15.7	13.1 TO 16.8
FULFILLMENT	20452	7.1	4.3 TO 9.3	46446	7.9	6.0 TO 10.8
GENERAL & ADMIN.	28814	10.0	7.2 TO 14.0	59925	10.2	9.3 TO 12.8
UNSPECIFIED	0			0		
TOTAL OPERATING EXPENSE	119099	41.2	30.7 TO 47.3	235486	40.3	35.2 TO 44.4
INCOME FROM OPERATIONS*	40975	14.2	7.6 TO 22.5	64786	11.1	4.0 TO 19.8

* Please see corresponding note on page A-16.

TABLE A16 - MANUFACTURING EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 18 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $863,032,000

	ALL PUBLISHERS		7 PUBLISHERS NET SALES UNDER $20 MILLION		7 PUBLISHERS NET SALES $20-$50 MILLION		4 PUBLISHERS NET SALES ABOVE $50 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
BEGINNING INVENTORY	158628	18.4	18520	29.5	57469	19.9	82639	16.2
PURCHASES (TOTAL)	361850	41.9	27797	44.3	117579	40.7	216475	42.3
PLANT COSTS	34292	4.7	3985	6.8	13175	4.6	17132	4.5
PAPER, PRINTING & BINDING	271458	37.2	21822	37.5	104403	36.2	145233	37.8
UNSPECIFIED	56099		1990		0		54110	
COST OF FREE BOOKS	4617	0.5	497	0.8	1723	0.6	2397	0.5
WRITE DOWNS	34034	3.9	5429	8.7	5974	2.1	22631	4.4
ENDING INVENTORY AFTER WRITE DOWNS	190561	22.1	18589	29.6	63912	22.1	108059	21.1
TOTAL MANUFACTURING EXP.	325299	37.7	27230	43.4	109412	37.9	188656	36.9

TABLE A17 - ROYALTY EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 18 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $859,336,000

	ALL PUBLISHERS		7 PUBLISHERS NET SALES UNDER $20 MILLION		7 PUBLISHERS NET SALES $20-$50 MILLION		4 PUBLISHERS NET SALES ABOVE $50 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ROYALTIES PAID	117722	13.7	6493	11.0	28032	9.7	83197	16.3
FEES IN LIEU OF ROYALTIES	332	0.0	0	0.0	332	0.1	0	0.0
ADVANCES WRITTEN OFF	20421	2.4	1810	3.1	4421	1.5	14191	2.8
TOTAL ROYALTIES	138475	16.1	8303	14.1	32785	11.4	97387	19.0

See also the discussion following Table A-7.

TABLE A18 - OTHER PUBLISHING INCOME-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 9 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $628,864,000

	ALL PUBLISHERS		2 PUBLISHERS NET SALES UNDER $20 MILLION		4 PUBLISHERS NET SALES $20-$50 MILLION		3 PUBLISHERS NET SALES ABOVE $50 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SUBSIDIARY RIGHTS (TOTL)	65937	10.5			10849	6.5	51264	11.6
REPRINT - HARDBOUND	5597	0.9			2514	1.5	2444	0.6
REPRINT - PAPERBOUND	18923	3.0			2839	1.7	14513	3.3
BOOK CLUB	19420	3.1			2791	1.7	16002	3.6
PERMISSIONS	1543	0.2			450	0.3	1011	0.2
FOREIGN & TRANSLATION	7813	1.2			1681	1.0	5391	1.2
SERIAL, DIGEST & SYNDICATION	996	0.2			378	0.2	548	0.1
OTHER	11644	1.9			197	0.1	11354	2.6
GENERAL	5928	0.9			2698	1.6	2131	0.5
TOTAL OTHER PUBL. INCOME	71865	11.4			13547	8.2	53394	12.1
AUTHORS' SHARE	29633	4.7			5667	3.4	22259	5.1
PUBLISHER'S SHARE	42232	6.7			7880	4.8	31136	7.1

Data for the "Under $20 Million" category have been suppressed to prevent disclosure.

TABLE A19 - EDITORIAL EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 19 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $877,013,000

	ALL PUBLISHERS		8 PUBLISHERS NET SALES UNDER $20 MILLION		7 PUBLISHERS NET SALES $20-$50 MILLION		4 PUBLISHERS NET SALES ABOVE $50 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
EDITORIAL EXPENSE								
SALARIES	33080	3.8	3637	4.7	14572	5.0	14872	2.9
BENEFITS	5981	0.7	807	1.1	2682	0.9	2492	0.5
OUTSIDE EDITORIAL EXP	5400	0.6	357	0.5	3206	1.1	1838	0.4
TRAVEL & ENTERTAINMNT	2649	0.3	295	0.4	973	0.3	1382	0.3
OTHER	9063	1.0	196	0.3	3199	1.1	5668	1.1
TOTAL EDITORIAL EXPENSE	56174	6.4	5291	6.9	24631	8.5	26252	5.1

TABLE A20 - PRODUCTION EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 18 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $863,032,000

	ALL PUBLISHERS		7 PUBLISHERS NET SALES UNDER $20 MILLION		7 PUBLISHERS NET SALES $20-$50 MILLION		4 PUBLISHERS NET SALES ABOVE $50 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PRODUCTION EXPENSE								
SALARIES	8495	1.0	1178	1.9	3336	1.2	3981	0.8
BENEFITS	1400	0.2	246	0.4	587	0.2	568	0.1
OUTSIDE PRODUCT'N EXP	658	0.1	207	0.3	246	0.1	205	0.0
OTHER	1414	0.2	15	0.0	755	0.3	644	0.1
TOTAL PRODUCTION EXPENSE	11968	1.4	1647	2.6	4924	1.7	5397	1.1

TABLE A21 - MARKETING EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 17 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $649,940,000

	ALL PUBLISHERS		7 PUBLISHERS NET SALES UNDER $20 MILLION		7 PUBLISHERS NET SALES $20-$50 MILLION		3 PUBLISHERS NET SALES ABOVE $50 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SALESMEN'S SALARIES & COMMISSIONS	13167	2.0	1841	2.5	7809	2.7	3518	1.2
SALESMEN'S BENEFITS	721	0.1	248	0.3	316	0.1	158	0.1
SALESMEN'S TRAVEL & ENTERTAINMENT	3140	0.5	639	0.9	1222	0.4	1278	0.4
DEPARTMENTAL SALARIES	7093	1.1	499	0.7	3372	1.2	3222	1.1
DEPARTMENTAL BENEFITS	1235	0.2	85	0.1	457	0.2	693	0.2
DEPARTMENTAL TRAVEL & ENTERTAINMENT	1436	0.2	160	0.2	332	0.1	944	0.3
OTHER	8049	1.2	2081	2.8	3859	1.3	2109	0.7
TOTAL SELLING EXPENSE	34841	5.4	5552	7.5	17367	6.0	11922	4.2
PROMOTION								
DEPARTMENTAL SALARIES	7497	1.2	1636	2.2	3062	1.1	2799	1.0
BENEFITS	1431	0.2	323	0.4	540	0.2	569	0.2
SPACE ADVERTISING	19097	2.9	3400	4.6	6113	2.1	9584	3.3
CATALOGS AND TRADE ADVERTISING	8630	1.3	894	1.2	4190	1.5	3546	1.2
DIRECT MAIL	2558	0.4	689	0.9	640	0.2	1230	0.4
PUBLICITY	3646	0.6	230	0.3	1930	0.7	1486	0.5
FREE COPIES (INCLUDING POSTAGE)	6150	0.9	544	0.7	2910	1.0	2696	0.9
EXHIBITS	2693	0.4	208	0.3	1363	0.5	1122	0.4
OTHER	7179	1.1	886	1.2	2165	0.7	4127	1.4
TOTAL PROMOTION EXPENSE	58880	9.1	8812	11.9	22911	7.9	27158	9.5
TOTAL MARKETING EXPENSE	93721	14.4	14364	19.4	40278	13.9	39080	13.6

TABLE A22 - FULFILLMENT EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS

10 PUBLISHERS WITH NET SALES OF $602,992,000 USING INTERNAL FACILITIES	ALL PUBLISHERS		4 PUBLISHERS NET SALES UNDER $20 MILLION		3 PUBLISHERS NET SALES $20-$50 MILLION		3 PUBLISHERS NET SALES ABOVE $50 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ORDER PROCESSING								
SALARIES	5707	0.9	529	1.8	1801	1.3	3376	0.8
BENEFITS	1311	0.2	88	0.3	333	0.2	890	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	2999	0.5	264	0.9	661	0.5	2074	0.5
EQUIPMENT & SUPPLIES	465	0.1	77	0.3	219	0.2	169	0.0
OTHER	926	0.2	357	1.2	153	0.1	416	0.1
TOTAL ORDER PROCESSING	11407	1.9	1315	4.4	3167	2.3	6925	1.6
SHIPPING & WAREHOUSING								
SALARIES	17480	2.9	925	3.1	3321	2.4	13233	3.0
BENEFITS	3868	0.6	150	0.5	672	0.5	3046	0.7
OCCUPANCY	5654	0.9	505	1.7	1278	0.9	3871	0.9
EQUIPMENT & SUPPLIES	2943	0.5	222	0.7	1228	0.9	1494	0.3
TRANSPORTATION CHRGES	3218	0.5	260	0.9	-200	-0.1	3158	0.7
OTHER	4805	0.8	-2	-0.0	277	0.2	4530	1.0
TOTAL SHIPPING AND WAREHOUSING	37969	6.3	2061	6.9	6577	4.8	29331	6.7
TOTAL FULFILLMENT EXP. OF PUBLISHERS UTILIZING INTERNAL FACILITIES	49375	8.2	3375	11.3	9744	7.1	36256	8.3

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TABLE A23 - GENERAL AND ADMINISTRATIVE EXPENSE-BY SIZE OF PUBLISHER

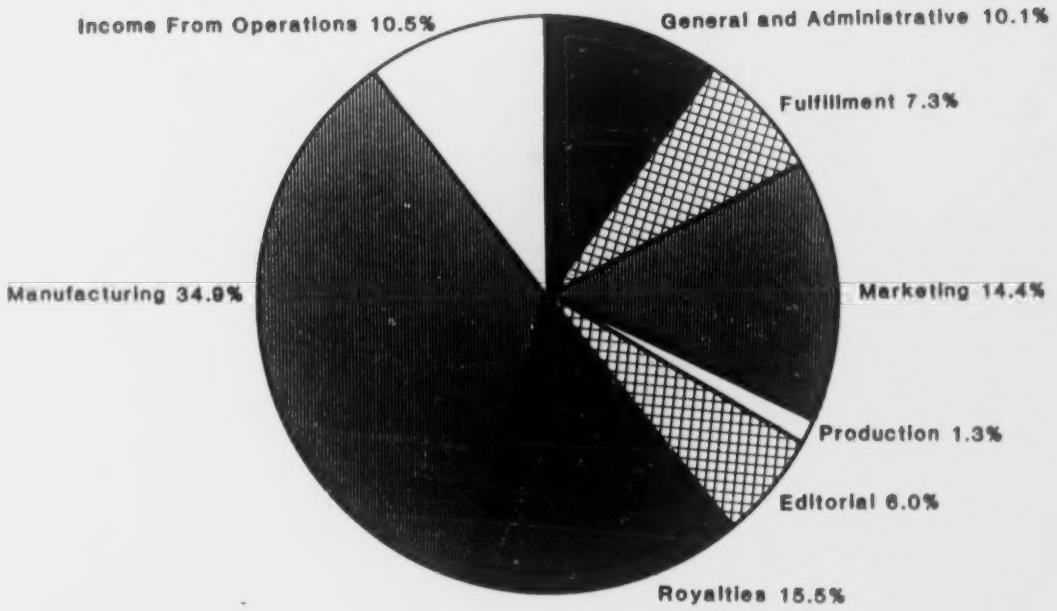
THOUSANDS OF DOLLARS - AS REPORTED BY 19 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $877,013,000

	ALL PUBLISHERS		8 PUBLISHERS NET SALES UNDER $20 MILLION		7 PUBLISHERS NET SALES $20-$50 MILLION		4 PUBLISHERS NET SALES ABOVE $50 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
MANAGEMENT SALARIES	12276	1.4	2281	3.0	3634	1.3	6361	1.2
MANAGEMENT BENEFITS	2310	0.3	384	0.5	709	0.2	1217	0.2
ACCOUNTING SALARIES	7398	0.8	788	1.1	2756	1.0	3854	0.8
ACCOUNTING BENEFITS	1312	0.1	144	0.2	483	0.2	685	0.1
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	9486	1.1	646	0.9	2007	0.7	6833	1.3
GENERAL OFFICE BENEFITS	4310	0.5	123	0.2	1284	0.4	2904	0.6
GENERAL TRAVEL AND ENTERTAINMENT	1946	0.2	234	0.3	586	0.2	1127	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	6496	0.7	50	0.1	1649	0.6	4797	0.9
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	18319	2.1	1358	1.8	6052	2.1	10910	2.1
OTHER TAXES (EXCEPT INC. & PAYROLL TAXES)	1207	0.1	55	0.1	511	0.2	641	0.1
PERSONAL PROP. TAXES	643	0.1	30	0.0	335	0.1	279	0.1
ALL OTHER	456	0.1	25	0.0	176	0.1	254	0.0
UNSPECIFIED	108		0		0		108	
OTHER	27111	3.1	6777	9.1	9144	3.2	11189	2.2
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	92172	10.5	12840	17.2	28815	10.0	50517	9.9

TABLE A24 - SUMMARY OF EMPLOYEE BENEFITS EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 14 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $762,273,000

	ALL PUBLISHERS		4 PUBLISHERS NET SALES UNDER $20 MILLION		7 PUBLISHERS NET SALES $20-$50 MILLION		3 PUBLISHERS NET SALES ABOVE $50 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PENSIONS	3185	0.4	91	0.2	1210	0.4	1884	0.4
DEFERRED PROFIT SHARING	1262	0.2	153	0.4	42	0.0	1067	0.2
HOSP. & GROUP INSURANCE	9638	1.3	575	1.5	3617	1.3	5446	1.2
PAYROLL TAXES	8343	1.1	554	1.5	3181	1.1	4607	1.1
OTHER	917	0.1	117	0.3	257	0.1	543	0.1
TOTAL EMPLOYEE BENEFITS	23346	3.1	1491	4.0	8307	2.9	13548	3.1



Based on data reported in Table A5
Income (100%) Equals Net Sales (94.0%) plus Other Income (6.0%)

FIGURE A2 - 1988 DISPOSITION OF INCOME BY TRADE AND RELIGIOUS BOOK PUBLISHERS

TABLE A25 - EMPLOYEE DATA

AS REPORTED BY 17 TRADE BOOK PUBLISHERS
EMPLOYING 3,269 TOTAL STAFF
(NET SALES PER EMPLOYEE - $212,508)

	PERCENT OF TOTAL	
	AVERAGE	MID-RANGE
EDITORIAL	26.8	18.6 TO 32.0
PRODUCTION	7.0	5.5 TO 17.6
MARKETING (TOTAL)	23.9	15.3 TO 29.9
SALESMEN	5.4	5.1 TO 7.6
SALES DEPARTMENT	10.4	5.5 TO 13.6
PROMOTION	5.6	4.8 TO 13.5
UNSPECIFIED	2.5	
FULFILLMENT (TOTAL)	19.6	10.9 TO 35.2
ORDER PROCESSING	6.5	5.5 TO 15.1
SHIPPING & WAREHOUS'G	13.2	5.5 TO 20.4
ADMINISTRATIVE MANAGEM'T	4.8	2.0 TO 12.9
GENERAL OFFICE	9.3	3.4 TO 16.4
OTHER	8.7	3.5 TO 12.4
EMPLOYEES PER $100,000 SALES	0.5	0.4 TO 0.7

TABLE A26 - INVENTORY TURNOVER

TYPE OF BOOK	REPLIES	NET SALES (000)	INVENTORY TURNOVER
ADULT HARDBOUND	11	268084	2.0
ADULT PAPERBOUND	8	159370	1.9
JUVENILE	9	219951	1.7
RELIGIOUS	2		
BY SIZE OF PUBLISHER			
SALES UP TO $20 MILLION	7	62709	1.5
SALES $20 TO $50 MILLION	7	288735	1.8
SALES $50 MILLION & OVER	4	511588	2.0

In **Table A26** inventory turnover is established by dividing Total Manufacturing Cost by the average of Beginning Inventory and Ending Inventory After Writedowns. For pertinent definitions, refer to pages A1 and A2 of Operating Data Questionnaire Form A. Also please note the text comments on plant costs and plate cost treatment following **Table A6.**

In comparing his own inventory turnover with that reported here, a publisher should bear in mind not only the possible impact of plant cost treatment on inventory values, but also the variations in such values resulting from differing writedown policies. Most writedown practices in the industry must, perforce, be based on the subjective judgement of market values, reflecting varying life expectancies and turnover of product lines and individual titles. A publisher must keep has own sales patterns in mind, therefore, when making the comparison. Despite the levelling effect of pooling the data, a publisher with, for example, a specialized product line may find his turnover differing noticeably and justifiably from the composite figure.

TABLE A27 - BILLINGS AND RECEIVABLES

	REPLIES	AMOUNT
NET SALES ($000)	15	613512
NUMBER OF INVOICES ANNUALLY (000)	10	3467
AVERAGE INV. VALUE		118.42
NUMBER OF CREDIT MEMOS ANNUALLY (000)	10	620
ACCOUNTS RECEIVABLE (AT YEAR END - $000)	15	447148
PERCENT OF NET SALES		72.9
ACCOUNTS RECE. - AGED TOTAL ($000)	12	362633
PCT. CURRENT		49.8
PCT. 1-30 DAYS		20.3
PCT. 31-60 DAYS		17.3
PCT. 61 DAYS AND OVER		12.6
BAD DEBT RESERVE ($000)	14	18869
PCT. OF NET SALES		3.5
PCT. OF RECEIVABLES		5.1
BAD DEBT LOSSES ($000)	12	5809
PCT. OF NET SALES		1.3
PCT. OF RECEIVABLES		1.7
AVERAGE COLLECTION PERIOD (DAYS)	13	118
RANGE (DAYS)		53-209

ABSTRACTED DEFINITIONS

Continued from page A-26

Tables A14 and A24 - Employee Benefits

This **Employee Benefits** schedule summarizes all benefits applicable to employees' salaries reported in this survey.

Pensions: Includes accruals as well as actual payments.

Deferred Profit Sharing: Current profit sharing is shown with salaries in the appropriate tables. Only amounts contributed to **deferred** payment plans are included here.

Hospitalization and Group Insurance: Includes life insurance premiums of executives.

Table A25 - Employee Data

Includes only staff employed; excludes freelance or outside agents such as "commission" reps representing several publishers. Excludes freelance editors and designers.

Table A27 - Billings and Receivables

The amount on **total receivable** and **past due** balances is as of the end of the calendar year.

Definitions for most line items, and instructions for furnishing data to the AAP Industry Statistics are included in the survey questionnaires. Overall methodology, and definitions of the publishing divisions themselves are presented in this volume beginning on page xiii.

The General Publishing Division Statistics Committee is supplementing this material with the following brief definitions:

Tables A1 & A2 - Gross Sales and Returns

Gross Sales on a calendar year basis. Includes foreign, book clubs and remainder sales. Also includes sales of calendars, posters, maps, software, and audiovisual, visual cassettes, and multimedia products in "Other." Does not include income from subsidiary rights or from non-publishing activities such as printing plants, sales representation, or fulfillment service operations.

Returns show actual credited totals only, and do not show amounts reserved.

Table A3 - Domestic Net Sales By Type of Customer

Bookstores:

General: Includes all book outlets, such as stationery or department stores.

College: Stores catering predominantly (50% or more) to college and university students and faculty.

Religious: Stores catering predominantly (50% or more) to a religious audience.

Paperback: Includes only stores specializing exclusively in paperback books.

Other Retail Outlets: Includes computer, art supply, health food, sports stores, etc.

Wholesalers: Includes agents who market books to retailers, libraries, schools and institutions and are engaged predominantly (50% or more) in so doing.

Prebinders: Applies primarily to publishers of juveniles who should report their sheet sales to such firms here.

Libraries and Institutions (Total):

Public Libraries.

Colleges and Universities: Includes sales to the libraries of these institutions, as well as direct sales to special programs or departments.

Schools: Includes sales to school libraries, resource centers, classrooms, systems or districts. Includes sales to bookstores operated by secondary or elementary schools, public or private.

Other: Includes library sales to museums, public landmarks, government departments, the military, historical and scholarly societies. Also reported are sales to technical, legal, and business libraries, etc.

Mass Market Outlets: Chain stores, drug stores, newsstands, supermarkets, etc.

Special Sales: Includes sales of special editions to book clubs or for premium or sales tie-in purposes. Includes bulk sales to corporations, author, and others.

Direct to Consumer: Mail order sales solicited and fulfilled under auspices of reporting companies.

Tables A6 and A16 - Manufacturing Expense

Manufacturing Expense in general is defined as the **materials** cost (i.e. of **physical** components) of the books or products sold. It is distinguished from **Production Expense** which involves the **labor** cost to the publisher of supervising the manufacturing process, and the **Editorial Expense** which involves the labor cost to the publisher of readying the content of a book for manufacture.

Because of the complexity of the pre-publication process and the overlapping of these functions, it is important that you read (and understand) the complete definitions devised for these expenses. (See note at the start of these "Abstracted Definitions.")

Tables A7 and A17 - Royalty Expense

Royalties Paid: does not include override royalties paid to staff editors.

Grants and Fees in Lieu of Royalties: Flat payments.

Advances Written Off: Includes write-offs of advances, judged to be unearnable, made during the reporting year.

Net Royalty Advances Outstanding at Year End: Net advances carried as assets on balance sheet at year end.

Tables A8 and A18 - Other Publishing Income

Subsidiary Rights (Total): The sum of payments or royalties actually received in the reporting year after deduction of author's shares.

Tables A9 and A19 - Editorial Expense

Note: **"Salaries"** in this and the following tables include vacation and holiday pay, bonuses and current profit sharing.

Outside Editorial Expense: Compensation to freelance and procurement editors, copy and manuscript editors, indexers, readers, etc. Includes fees to be paid to experts for manuscript evaluation.

Other: Reference and research materials, stationery and supplies, etc. Does not include occupancy expense, or maintenance, overhead, utility or telephone charges which are reported in Tables A13 & A23.

Continued on page A-26

Continued from page A-25

Tables A10 and A20 – Production Expense

Production Expense in general is defined as the cost of **labor** incurred by the publisher in having products manufactured. It is distinguished from **Manufacturing Expense**, which involves the **materials** cost of the products themselves. Staff positions involved would be those of the production manager and his/her assistant, artists and designers.

Outside Production Expense: Compensation to freelance designers and production personnel. Outside production services are included.

Other: Reference materials, art and other supplies, stationery, travel and entertainment by departmental and freelance staff, etc. Does not include occcupancy expense or maintenance, overhead, utility or telephone charges which are included in General and Administrative Expense.

Tables A11 and A21 – Marketing Expense

Selling Expense (Total): "Selling" is distinguished from "Promotion" as pertaining to direct personal contact with customers, while "Promotion" covers advertising, direct mail, exhibits and publicity.

Salesrep's Salaries and Commissions: Salary and/or commission compensation to domestic and foreign sales reps. Includes special sales, sub-rights, and telemarketing reps, staff or independent.

Promotion:

Departmental Salaries: Includes promotion managers, advertising and copy writers, direct mail, publicity and exhibit staff.

Space Advertising: The cost of the space and the preparation of advertising, including cooperative advertising, in consumer and specialized media. TV and radio advertising is also reported.

Catalogs and Trade Advertising: Cost of preparing, printing and mailing materials intended predominantly for the individual consumer.

Publicity: Includes the cost of news releases, travel and entertainment in connection with this effort, fees paid to public relations firms and publicity agents, cost of sending authors on tour or transporting them to TV shows, etc.

Free Copies: Books furnished at no charge, including those for review, for examination, and/or as desk copies to educators, and to exhibits. Postage is added to the value of the books which includes both plant and manufacturing costs (paper, printing, binding).

Exhibits: The cost of exhibit space, display units and materials as well as travel and entertainment expense of staff and freelance personnel.

Other: The cost of promotional activities not covered above, such as autographing parties, book fairs, special displays, etc. Does not include occupancy, overhead or telephone charges which are reported in G & A Exp.

Tables A12 and A22 – Fulfillment Expense

Fulfillment Expense in general is defined as the cost of consummating a customer's order after it has been placed. This involves: 1. the production of shipping and invoice documents, including the posting to accounts receivable, processing of subsequents payment, maintaining attendant records, and rendering reports, and 2. the warehousing, shipping and handling of returns of the products involved.

Because of the complexity of the fulfillment process and the overlapping of these functions it is important to read (and understand) the complete definitions devised for these expenses. (See the note at the start of these "Abstracted Definitions.")

Tables A13 and A23 – General and Administrative Expense

General and Administrative Expense does not include fees charged by a parent company except insofar as they represent payment for services actually received and which the publisher would otherwise have to furnish or purchase elsewhere. Multidivisional companies have allocated general administrative expenses to the division.

Management Salaries: The compensation of executives and administrators not reported in previous schedules.

Accounting Salaries: Compensation of financial and accounting departmental staff, management as well as clerical.

General Office Salaries: Compensation of all staff not reported in other schedules or above.

General Travel and Entertainment: Company-reimbursed transportation, living expenses on the road, and entertainment not included in other schedules.

EDP/Systems Expense (Direct or Allocated): Publishers utilizing an automated system for processing accounting and other data, either under their own auspices or outside, reporting the appropriate portion of such expense devoted to general and administrative activities, including salaries.

Occupancy (Except Warehousing): Rent, or mortgage expense (including interest), or depreciation, if property is owned. Includes appropriate real estate taxes, insurance, heat, light, power, maintenance and repair. Occupancy cost of warehouses is shown under Fulfillment Expense.

Other Taxes (Except Income and Payroll):

Personal Property Taxes: Does not include real estate taxes.

Other: Includes other general expense not shown elsewhere, such as telephone and telegraph; stationery and supplies; bad debts written off or additions to bad debt reserve; collection expenses; insurance; depreciation on general office equipment.

Continued on page A-24

SECTION B - TECHNICAL, SCIENTIFIC, BUSINESS, MEDICAL, AND OTHER PROFESSIONAL BOOK PUBLISHERS AND DIVISIONS

Please refer to the GENERAL INSTRUCTIONS AND DEFINITIONS, and the specific instructions and definitions for this divisional survey in QUESTIONNAIRE FORM B (available on request from the AAP New York Office) to insure the correct interpretation of this report. Furthermore, the methodology used in gathering and reporting data, which is discussed in the INTRODUCTION should be reviewed for a full understanding of the tables and text.

SALES DATA

45 professional book publishers reported 1988 total net sales of $753.8 million to the AAP Statistics Program. Based on our industry estimate of $2411.9 million (**Table S1**), this would appear to be some 31.3% of this publishing segment. [Note, however, that the reported figures exclude the bulk of law book sales which, historically, publishers fail to supply to this Survey].

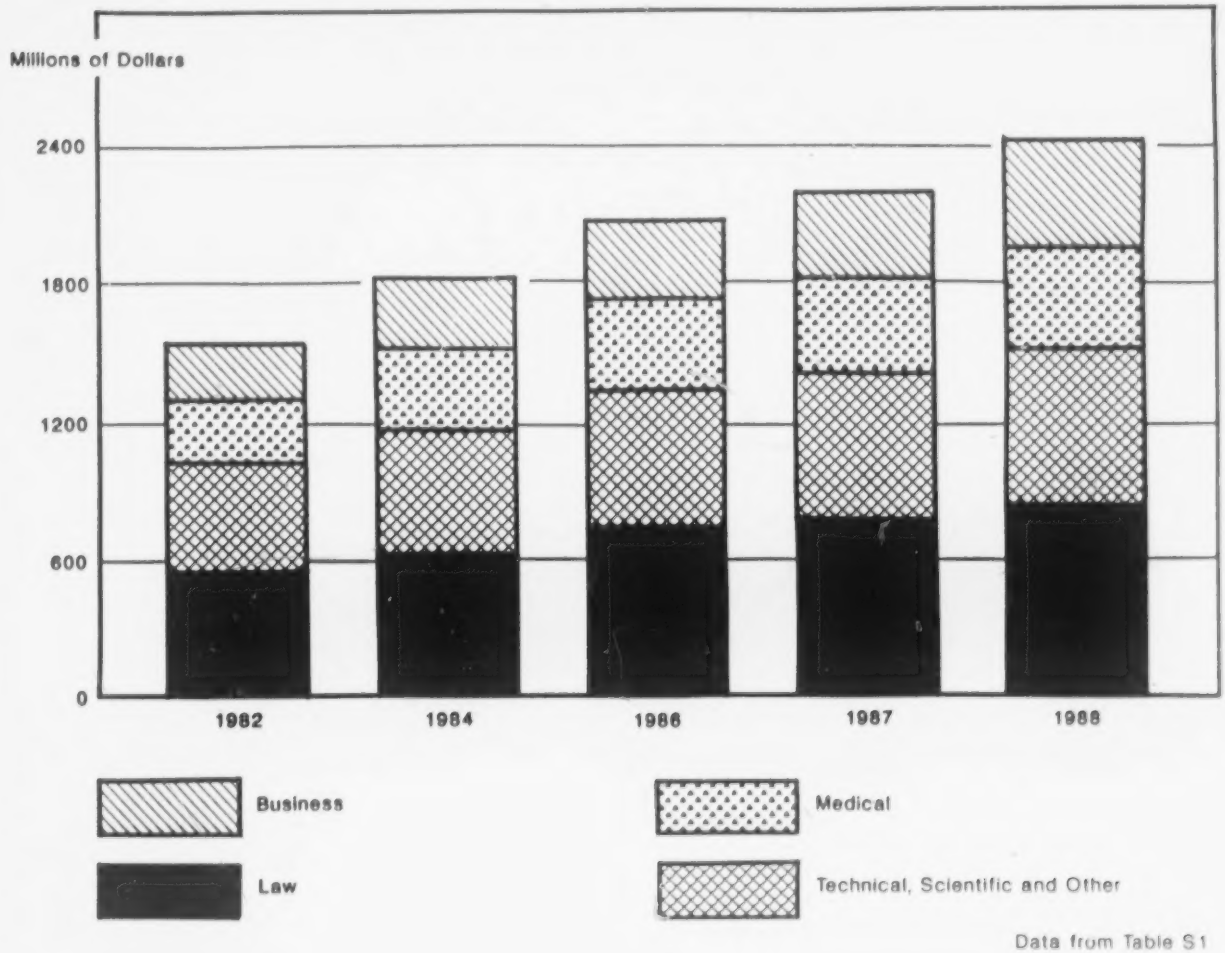
In **Table B1a** publishers report sales detail by publishing category for both 1988 and 1987 in dollars. In **Table B1b** data is provided by 33 publishers for similar detail in both dollars and units.

TABLE B1a - SALES OF PROFESSIONAL BOOKS-BY CATEGORY OF PUBLICATION

MILLIONS OF DOLLARS - AS REPORTED BY 45 PUBLISHERS

	GROSS SALES	RETURNS	NET SALES	PERCENT RETURNS - GROSS	
				AVERAGE	MID-RANGE
21 TECH'L & SCIENTIFIC					
1988	227.9	34.4	193.5	15.1	11.0 TO 15.0
1987	207.2	29.3	177.8	14.2	9.3 TO 14.8
PERCENT CHANGE	10.0	17.3	8.8		
17 BUSINESS & OTHER PROF					
1988	130.3	19.5	110.8	15.0	10.7 TO 18.5
1987	113.9	17.6	96.3	15.5	11.3 TO 18.8
PERCENT CHANGE	14.4	10.6	15.1		
22 MEDICAL					
1988	303.2	35.1	268.1	11.6	10.3 TO 16.0
1987	262.0	33.7	228.3	12.8	10.3 TO 14.4
PERCENT CHANGE	15.7	4.1	17.4		
ALL PROFESSIONAL					
1988	753.8	94.9	658.9	12.6	8.9 TO 13.7
1987	663.9	86.7	577.2	13.1	8.7 TO 14.8
PERCENT CHANGE	13.5	9.5	14.2		

FIGURE B1 - ESTIMATED PROFESSIONAL BOOK NET SALES 1982, 1984, 1986-1988



Data from Table S1

TABLE B1b - SALES OF PROFESSIONAL BOOKS-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 33 PUBLISHERS

	GROSS SALES						YOUR DATA			
	1988		1987		PERCENT CHANGE					
	$	UNITS	$	UNITS	$	UNITS				
TECHNICAL & SCIENTIFIC	191954	6632	176386	5555	8.8	19.4				
BUSINESS & OTHER PROF.	130300	7263	113894	5756	14.4	26.2				
MEDICAL	291403	10334	246606	9164	18.2	12.8				
ALL PROFESSIONAL	613657	24229	536886	20475	14.3	18.3				

Continued on page B-3

TABLE B1b - SALES OF PROFESSIONAL BOOKS-BY CATEGORY OF PUBLICATION

Continued from page B-2

	RETURNS								
	1988		1987		PERCENT CHANGE		YOUR DATA		
	$	UNITS	$	UNITS	$	UNITS			
TECHNICAL & SCIENTIFIC	29978	1444	25904	867	15.7	66.6			
BUSINESS & OTHER PROF.	19509	1108	17634	1024	10.6	8.2			
MEDICAL	33588	1188	32586	1135	3.1	4.7			
ALL PROFESSIONAL	83075	3740	76124	3026	9.1	23.6			

	NET SALES								
	1988		1987		PERCENT CHANGE		YOUR DATA		
	$	UNITS	$	UNITS	$	UNITS			
TECHNICAL & SCIENTIFIC	161976	5188	150482	4688	7.6	10.7			
BUSINESS & OTHER PROF.	110791	6155	96260	4732	15.1	30.1			
MEDICAL	257815	9146	214020	8029	20.5	13.9			
ALL PROFESSIONAL	530582	20489	460762	17449	15.2	17.4			

	1988 PERCENT RETURNS TO GROSS						
	DOLLARS		UNITS		YOUR DATA		
	AVERAGE	MID-RANGE	AVERAGE	MID-RANGE			
TECHNICAL & SCIENTIFIC	15.6	11.0 TO 17.4	21.8	11.9 TO 18.3			
BUSINESS & OTHER PROF.	15.0	10.7 TO 18.5	15.3	9.9 TO 18.1			
MEDICAL	11.5	10.0 TO 16.2	11.5	9.6 TO 15.7			
ALL PROFESSIONAL	13.5	9.8 TO 15.0	15.4	9.0 TO 15.5			

	DOLLARS PER UNIT NET SALES						
	1988		1987		YOUR DATA		
	$-AVG	$-RANGE-AVG	$-AVG	$-RANGE-AVG			
TECHNICAL & SCIENTIFIC	31.22	3.60 TO 56.96	32.10	12.53 TO 51.52			
BUSINESS & OTHER PROF.	18.00	9.36 TO 65.14	20.34	7.96 TO 55.32			
MEDICAL	28.19	14.64 TO 48.87	26.66	14.81 TO 44.20			
ALL PROFESSIONAL	25.33	9.36 TO 65.14	26.22	10.13 TO 55.32			

TABLE B2 - NET SALES OF PROFESSIONAL BOOKS-BY SUBJECT CATEGORY

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 28 PUBLISHERS

	1988					1987				
	DOLLARS		UNITS		AVERAGE DOLLARS	DOLLARS		UNITS		AVERAGE DOLLARS
	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT
TECHNICAL & SCIENTIFIC (TOTAL)	153059	100.0	4815	100.0	31.79	142299	100.0	4254	100.0	33.45
MATHEMATICS, PROBABILITY & STAT.	7142	4.7	214	4.4	33.37	5291	3.7	204	4.8	25.94
COMPUTER SCIENCES	15822	10.3	874	18.2	18.10	16327	11.5	539	12.7	30.29
ENGINEERING	39643	25.9	931	19.3	42.58	41209	29.0	1116	26.2	36.93
BIOLOGICAL SCIENCES	16000	10.5	378	7.9	42.33	16460	11.6	323	7.6	50.96
PHYSICAL SCIENCES	22398	14.6	455	9.4	49.23	19525	13.7	458	10.8	42.63
EARTH SCIENCES	2890	1.9	58	1.2	49.83	2645	1.9	71	1.7	37.25
SOCIAL SCIENCES (TOTAL)	12423	8.1	507	10.5	24.50	9629	6.8	425	10.0	22.66
ECONOMICS	1566	1.0	80	1.7	19.58	1327	0.9	55	1.3	24.13
PSYCHOLOGY	3397	2.2	167	3.5	20.34	2578	1.8	105	2.5	24.55
OTHER SOCIAL SCI.	6253	4.1	220	4.6	28.42	4638	3.3	225	5.3	20.61
SOC. SC.-NOT GIVEN	1207	0.8	40	0.7	30.18	1086	0.8	40	0.9	27.15
ARCHITECTURE	11048	7.2	373	7.7	29.62	6567	4.6	305	7.2	21.53
OTHER TECH. & SCIENT.	25693	16.8	925	19.3	27.78	24646	17.3	813	19.1	30.31
BUSINESS & OTHER PROFESSIONAL (TOTAL)	85001	100.0	5090	100.0	16.70	69418	100.0	3784	100.0	18.35
BUSINESS	27457	32.3	1692	33.2	16.23	22441	32.3	1329	35.1	16.89
LAW	28760	33.8	745	14.6	38.60	24178	34.8	738	19.5	32.76
EDUCATION	4449	5.2	257	5.0	17.31	3850	5.5	254	6.7	15.16
OTHER BUSINESS & PROFESSIONAL	24334	28.6	2396	47.1	10.16	18949	27.3	1462	38.6	12.96
MEDICAL (TOTAL)	249413	100.0	9014	100.0	27.67	211554	100.0	7924	100.0	26.70
MEDICAL PROFESSIONAL (TOTAL)	157799	63.3	4724	52.4	33.40	139456	65.9	4363	55.1	31.96
MEDICINE	116981	46.9	3461	38.4	33.80	104329	49.3	3123	39.4	33.41
DENTISTRY	6333	2.5	201	2.2	31.51	5688	2.7	191	2.4	29.78
VETERINARY MED.	3066	1.2	69	0.8	44.43	3488	1.6	80	1.0	43.60
OTHER MED. PROF.	11397	4.6	382	4.2	29.84	12119	5.7	431	5.4	28.12
MED. PROF-NOT GIVN	20022	8.0	611	6.8	32.77	13832	6.5	538	6.8	25.71
MEDICAL TEXTBOOKS (TOTAL)	91614	36.7	4290	47.6	21.36	72098	34.1	3560	44.9	20.25
NURSING	41943	16.8	2252	25.0	18.62	33804	16.0	1933	24.4	17.49
ALLIED HEALTH	16102	6.5	809	9.0	19.90	13830	6.5	680	8.6	20.34
OTHER TEXTBOOKS	31440	12.6	1155	12.8	27.22	22629	10.7	882	11.1	25.66
MED. TEXTS-NOT GIV	2129	0.9	74	0.8	28.77	1835	0.9	65	0.8	28.23

TABLE B3 - DOMESTIC NET SALES OF PROFESSIONAL BOOKS-BY TYPE OF CUSTOMER

THOUSANDS OF DOLLARS - AS REPORTED BY 34 PUBLISHERS

	ALL SALES		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL
RETAIL STORES (TOTAL)	112382	28.4	38430	28.2	28814	35.5	40231	25.0
GENERAL BOOKSTORES	25374	13.1	15452	15.4	4971	11.0	4708	13.2
COLLEGE BOOKSTORES	27907	14.5	12801	12.7	10646	23.5	3111	8.7
OTHER RETAILERS	1711	0.9	147	0.1	446	1.0	1118	3.1
UNSPECIFIED	57390		10030		12751		31294	
WHOLESALERS AND JOBBERS (TOTAL)	97718	24.7	34147	25.1	11996	14.8	43845	27.3
LIBRARY JOBBERS	18280	9.8	11102	18.1	4393	10.2	3365	3.7
ALL OTHER JOBBERS	27470	14.9	4290	7.0	1978	4.6	21291	23.6
UNSPECIFIED	51968		18755		5625		19189	
LIBRARIES & INSTITUTIONS (TOTAL)	24567	6.3	16327	12.0	2982	3.7	3663	2.3
PUBLIC LIBRARIES	1690	0.9	1109	2.5	471	0.6	87	0.1
COLLEGES AND UNIVERSITIES	5476	3.0	2362	5.4	701	0.9	2273	1.7
SCHOOLS	1817	1.0	1174	2.7	480	0.6	163	0.1
OTHER	2365	1.3	634	1.4	1236	1.6	454	0.3
UNSPECIFIED	13219		11048		94		686	
GOVERNMENT	3971	1.0	842	0.6	1261	1.6	188	0.1
INDUSTRY	19863	5.0	10797	7.9	7189	8.8	1743	1.1
SPECIAL SALES	13878	3.5	2278	1.7	3444	4.2	7145	4.4
INDIVIDUAL SALES (TOTAL)	123501	31.2	33255	24.4	25557	31.5	61542	38.3
THROUGH SALESMEN	22343	6.4	343	0.4	0	0.0	21870	13.9
BY MAIL	86588	24.6	22265	23.9	25331	31.4	37699	24.0
CONVENTION SALES	974	0.3	154	0.2	72	0.1	718	0.5
UNSPECIFIED	13596		10493		154		1255	
TOTAL	395880	100.0	136076	100.0	81243	100.0	160630	100.0

In Table B3, as in other succeeding tables, the data appearing in the column headed "All Sales" do not represent a total of the items shown horizontally in the remaining columns. Some reporting publishers have provided breakdowns of sales by category of publication, summarized in the detail columns, while others have not. However, all sales reported, whether detailed in other columns or not, are included in the "All Sales" column.

The "Percentage of Total" shown in the detail columns represents the portion of sales in a publishing category marketed to the customer type listed in the stub. "Unspecified" amounts are allocated in proportion to amounts specifically reported, as explained in the Introduction to this Annual Statistics Report.

TABLE B4 - NET SALES OF PROFESSIONAL BOOKS-BY GEOGRAPHICAL LOCATION

THOUSANDS OF DOLLARS - AS REPORTED BY 34 PUBLISHERS

	ALL SALES		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL
UNITED STATES	470644	85.1	143827	82.1	106578	96.4	201407	81.7
CANADA	15889	2.9	4006	2.3	1123	1.0	9721	3.9
FOREIGN (TOTAL)	66503	12.0	27453	15.7	2829	2.6	35303	14.3
AUSTRALIA & N.ZEALAND	3050	0.9	790	0.9	190	0.2	2347	1.2
JAPAN	5451	1.5	418	0.5	78	0.1	5065	2.7
OTHER ASIA	6371	1.8	4467	4.9	537	0.7	1694	0.9
UNITED KINGDOM	15305	4.3	5224	5.7	1045	1.3	8952	4.7
CONTINENTAL EUROPE	8708	2.5	1709	1.9	72	0.1	6965	3.7
AFRICA	383	0.1	147	0.2	15	0.0	222	0.1
MIDDLE EAST	865	0.2	251	0.3	25	0.0	788	0.4
CARIBBEAN	1091	0.3	799	0.9	80	0.1	264	0.1
LATIN AMERICA	1214	0.3	457	0.5	44	0.1	795	0.4
MILITARY	27	0.0	21	0.0	2	0.0	4	0.0
UNSPECIFIED	24038		13170		741		8207	
TOTAL	553036	100.0	175286	100.0	110530	100.0	246431	100.0

TABLE B5 - OPERATING DATA OF PROFESSIONAL BOOK PUBLISHERS-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 23 PUBLISHERS

	ALL PUBLISHERS			TECHNICAL AND SCIENTIFIC		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	438550	119.3	111.9 TO 116.9	172333	123.9	112.3 TO 130.7
RETURNS AND ALLOWANCES	70880	19.3	11.9 TO 16.9	33290	23.9	12.3 TO 30.7
NET SALES	367670	100.0	100.0 TO 100.0	139043	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	88673	31.8	24.0 TO 36.7	24486	34.9	25.2 TO 40.0
ROYALTIES	28851	10.3	7.2 TO 10.9	6239	8.9	4.9 TO 11.0
UNSPECIFIED	37396			30115		
TOTAL COST OF SALES	154920	42.1	33.3 TO 47.2	60840	43.8	36.9 TO 46.8
GROSS MARGIN ON SALES	212750	57.9	52.8 TO 66.7	78203	56.2	53.2 TO 63.1
OTHER INCOME	9422	2.6	0.3 TO 1.9	4253	3.1	0.4 TO 7.9
OPERATING EXPENSE						
EDITORIAL	23128	8.1	4.9 TO 10.8	4552	6.0	5.0 TO 11.4
PRODUCTION	8173	2.9	1.2 TO 4.8	2660	3.5	2.0 TO 4.6
MARKETING	59160	20.7	16.0 TO 21.9	16822	22.2	20.0 TO 24.5
FULFILLMENT	20081	7.0	4.7 TO 8.7	5681	7.5	4.4 TO 9.7
GENERAL & ADMIN.	33134	11.6	9.3 TO 14.5	8910	11.7	9.7 TO 18.0
UNSPECIFIED	40898			32113		
TOTAL OPERATING EXPENSE	184574	50.2	41.3 TO 57.3	70738	50.9	46.9 TO 58.8
INCOME FROM OPERATIONS*	37596	10.2	2.7 TO 18.9	11716	8.4	3.5 TO 18.8

Continued on page B-7

TABLE B5 - OPERATING DATA OF PROFESSIONAL BOOK PUBLISHERS-BY CATEGORY OF PUBLICATION

Continued from page B-6

	BUSINESS & OTHER PROFESSIONAL			MEDICAL		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	88035	119.4	111.3 TO 123.3	148862	114.8	111.9 TO 119.3
RETURNS AND ALLOWANCES	14277	19.4	11.3 TO 23.3	19229	14.8	11.9 TO 19.3
NET SALES	73758	100.0	100.0 TO 100.0	129633	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	13382	21.6	17.0 TO 27.8	39892	32.0	26.8 TO 34.3
ROYALTIES	7624	12.3	9.9 TO 12.7	13517	10.8	8.0 TO 13.1
UNSPECIFIED	3964			2074		
TOTAL COST OF SALES	24970	33.9	27.8 TO 40.1	55483	42.8	36.5 TO 45.3
GROSS MARGIN ON SALES	48788	66.1	59.9 TO 72.2	74150	57.2	54.7 TO 63.5
OTHER INCOME	3752	5.1	0.2 TO 7.8	1283	1.0	0.3 TO 1.7
OPERATING EXPENSE						
EDITORIAL	7416	11.6	7.3 TO 10.5	9897	8.1	5.9 TO 14.6
PRODUCTION	1934	3.0	1.2 TO 5.2	3181	2.6	1.1 TO 4.4
MARKETING	13736	21.6	14.7 TO 26.8	24744	20.2	14.9 TO 21.6
FULFILLMENT	4923	7.7	4.7 TO 12.6	7770	6.3	4.0 TO 8.7
GENERAL & ADMIN.	6052	9.5	9.7 TO 11.6	14362	11.7	8.8 TO 14.9
UNSPECIFIED	5366			3419		
TOTAL OPERATING EXPENSE	39427	53.5	44.1 TO 57.0	63373	48.9	39.6 TO 64.5
INCOME FROM OPERATIONS*	13113	17.8	7.0 TO 25.1	12060	9.3	-2.3 TO 17.6

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

OPERATING DATA

Operating data of Professional Publishers is reported in two sections. The first section, **Tables B5 through B14,** provides some breakdown by category of publication; while the second section, **Tables B15 through B23,** analyzes the data by size of publisher.

Tables B5 and B15 are summary tables, offering composite income statements of the reporting publishers. The remaining tables detail specific expense areas.

Publishers, while asked to provide sales data on a calendar year basis, were given the option to furnish operating information on a fiscal year basis. 7 publishers exercised this option. The months terminating their reporting year are listed below, together with the number of publishers for each fiscal period:

March - 2
April - 1
July - 1
August - 1
September - 1
October - 1

TABLE B6 - MANUFACTURING EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 18 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $234,675,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
BEGINNING INVENTORY	47706	20.3	14337	18.6	7446	19.8	16835	17.3
PURCHASES (TOTAL)	90250	38.5	28061	36.4	10119	26.9	38512	39.7
PLANT COSTS	17289	10.6	5267	10.4	2566	8.3	7598	13.3
PAPER, PRINTING & BINDING	45681	27.9	13142	26.0	5763	18.6	15074	26.4
UNSPECIFIED	27281		9651		1790		15839	
COST OF FREE BOOKS	2534	1.1	514	0.7	371	1.0	1465	1.5
WRITE DOWNS	6971	3.0	3075	4.0	1301	3.5	1850	1.9
ENDING INVENTORY AFTER WRITE DOWNS	58066	24.7	16215	21.0	8291	22.1	22376	23.0
TOTAL MANUFACTURING EXP.	77356	33.0	25669	33.3	8903	23.7	31505	32.4

The composite manufacturing cost figure in Table B6 includes data that reflect varying treatments of plant costs. Since a levelling effect takes place when the data are consolidated, the possibility of distortion is minimized. Nevertheless, a publisher who compares his own data with those in the survey should bear in mind that the inventory and purchase figures shown represent a mix that includes plant costs being amortized, plant costs that have been inventoried, and even some plant costs that have been written off on publication.

To place the survey data in perspective, the practices of some participating publishers are listed here:

Written off as incurred - 3 publishers
Written into inventory - 7 publishers

Amortized over 1 year - 1 publisher
Amortized over 1-3 years - 1 publisher
Amortized over 1-4 years - 1 publisher
Amortized over 3-5 years - 1 publisher
Amortized over 5 years - 5 publishers
Amortized parallel to sales of first printing - 1 publisher

Although the group of publishers reporting plant cost treatment is not identical to that whose manufacturing costs are analyzed in Tables B5 and B6, the treatment report provides an indication of the proportion and the effect of the plant cost input on the analysis.

Additionally, 8 publishers with total net sales of $103.6 million reported carrying $15.0 million in unamortized plant costs on their year-end balance sheets (14.5% of net sales). 74.3% of this amount was for published books, and 25.7% was for unpublished works.

TABLE B7 - ROYALTY EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 19 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $272,076,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ROYALTIES PAID	28581	10.5	9812	10.2	4978	13.2	12996	10.5
FEES IN LIEU OF ROYALTIES	142	0.0	107	0.1	0	0.0	35	0.0
ADVANCES WRITTEN OFF	276	0.1	161	0.2	30	0.1	76	0.1
TOTAL ROYALTIES	28999	10.7	10080	10.5	5008	13.3	13107	10.6

In Table B7, in addition to providing operating data on royalties, publishers were asked to report the level of royalty advances carried on their balance sheets at reporting year end. 17 publishers responded, reporting a total aggregate advance of $5.6 million. As these publishers enjoyed combined net sales of $262.4 million, the advances reported represent 2.1% of net sales.

Detail given by category of publication included Technical & Scientific: $2.4 million in advances on net sales of $96.3 million (advances 2.5% of net sales); Business and other Professional: $0.7 million in advances--2.2% of the reported net sales of $29.5 million; and Medical: $2.1 million in advances on net sales of $122.0 million (1.7% of net sales).

TABLE B8 - OTHER PUBLISHING INCOME-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 16 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $214,839,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SUBSIDIARY RIGHTS (TOTL)	5899	2.7	3495	7.1	1605	5.4	721	0.7
REPRINT	423	0.2	133	0.3	63	0.2	222	0.2
BOOK CLUB	356	0.2	165	0.3	50	0.2	135	0.1
PERMISSIONS	89	0.0	15	0.0	64	0.2	9	0.0
FOREIGN & TRANSLATION	3184	1.5	1838	3.8	833	2.8	448	0.4
OTHER	1799	0.8	1296	2.7	595	2.0	-92	-0.1
UNSPECIFIED	49		49		0		0	
GENERAL	1023	0.5	414	0.8	81	0.3	476	0.5
TOTAL OTHER INCOME	6922	3.2	3909	7.9	1686	5.7	1198	1.2

TABLE B9 - EDITORIAL EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 19 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $256,387,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
EDITORIAL EXPENSE								
SALARIES	9938	3.9	3510	3.7	1605	4.3	4765	3.9
BENEFITS	1823	0.7	629	0.7	383	1.0	803	0.7
OUTSIDE EDITORIAL EXP	1926	0.8	314	0.3	244	0.7	1342	1.1
TRAVEL & ENTERTAINMNT	1414	0.6	571	0.6	227	0.6	598	0.5
OTHER	2967	1.2	760	0.8	506	1.3	1701	1.4
TOTAL EDITORIAL EXPENSE	18067	7.1	5784	6.1	2965	7.9	9210	7.6

TABLE B10 - PRODUCTION EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 16 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $262,247,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PRODUCTION EXPENSE								
SALARIES	5743	2.2	2461	2.7	742	2.0	2234	1.9
BENEFITS	1066	0.4	462	0.5	151	0.4	389	0.3
OUTSIDE PRODUCT'N EXP	358	0.1	41	0.0	73	0.2	244	0.2
OTHER	589	0.2	224	0.2	63	0.2	284	0.2
TOTAL PRODUCTION EXPENSE	7757	3.0	3187	3.5	1029	2.7	3152	2.6

TABLE B11 - MARKETING EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 19 PUBLISHERS OF PROFESSIONAL BOOKS, WITH ~~TOTAL NET~~ SALES OF $251,376,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SELLING EXPENSE								
SALESMEN'S SALARIES & COMMISSIONS	3096	1.2	680	1.0	253	0.8	2017	1.7
SALESMEN'S BENEFITS	249	0.1	73	0.1	31	0.1	142	0.1
SALESMEN'S TRAVEL & ENTERTAINMENT	539	0.2	230	0.3	77	0.2	232	0.2
DEPARTMENTAL SALARIES	4648	1.8	656	0.9	65	0.2	3500	2.9
DEPARTMENTAL BENEFITS	773	0.3	108	0.2	16	0.0	592	0.5
DEPARTMENTAL TRAVEL & ENTERTAINMENT	747	0.3	99	0.1	6	0.0	634	0.5
OTHER	7247	2.9	4831	7.0	1143	3.5	1336	1.1
TOTAL SELLING EXPENSE	17299	6.9	6677	9.7	1590	4.8	8454	6.9
PROMOTION								
DEPARTMENTAL SALARIES	4951	2.0	1864	2.7	904	2.7	1138	0.9
BENEFITS	957	0.4	350	0.5	200	0.6	210	0.2
SPACE ADVERTISING	2514	1.0	1102	1.6	427	1.3	878	0.7
CATALOGS & DIRECT MAIL (TOTAL)	15856	6.3	2507	3.6	3276	9.9	9498	7.8
CATALOGS	2078	1.0	668	1.1	527	3.2	883	0.7
DIRECT MAIL	11384	5.3	1617	2.5	1122	6.7	8615	7.1
UNSPECIFIED	2012		223		1627		0	
PUBLICITY	1016	0.4	36	0.1	43	0.1	468	0.4
FREE COPIES	2949	1.2	572	0.8	301	0.9	1873	1.5
EXHIBITS	2330	0.9	670	1.0	116	0.4	1190	1.0
OTHER	5086	2.0	3042	4.4	1487	4.5	639	0.5
TOTAL PROMOTION EXPENSE	35658	14.2	10144	14.7	6755	20.5	15893	13.1
TOTAL MARKETING EXPENSE	52957	21.1	16821	24.3	8345	25.3	24347	20.0

TABLE B12 - FULFILLMENT EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS

6 PUBLISHERS WITH NET SALES OF $101,407,000 -- INTERNAL FACILITIES	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ORDER PROCESSING								
SALARIES	1632	1.6	446	2.0	323	1.6	788	1.5
BENEFITS	281	0.3	35	0.2	70	0.4	157	0.3
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	1142	1.1	202	0.9	564	2.9	376	0.7
EQUIPMENT & SUPPLIES	416	0.4	52	0.2	94	0.5	263	0.5
OTHER	309	0.3	207	0.9	0	0.0	72	0.1
TOTAL ORDER PROCESSING	3781	3.7	941	4.2	1051	5.3	1656	3.2
SHIPPING & WAREHOUSING								
SALARIES	1265	1.2	240	1.1	209	1.1	675	1.3
BENEFITS	264	0.3	49	0.2	48	0.2	137	0.3
OCCUPANCY	903	0.9	134	0.6	208	1.1	489	1.0
EQUIPMENT & SUPPLIES	480	0.5	57	0.3	147	0.7	226	0.4
TRANSPORTATION CHRGES	408	0.4	112	0.5	66	0.3	176	0.3
OTHER	339	0.3	118	0.5	82	0.4	133	0.3
TOTAL SHIPPING AND WAREHOUSING	3660	3.6	710	3.2	759	3.8	1836	3.6
TOTAL FULFILLMENT EXP. OF PUBLISHERS UTILIZING INTERNAL FACILITIES	7440	7.3	1651	7.4	1810	9.2	3492	6.8

THOUSANDS OF DOLLARS

8 PUBLISHERS WITH NET SALES OF $103,189,000 -- SPLIT FACILITIES	ALL PUBLISHERS	
	$	PCT-NET SALES
ORDER PROCESSING		
SALARIES	2315	2.2
BENEFITS	388	0.4
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	227	0.2
EQUIPMENT & SUPPLIES	351	0.3
OTHER	144	0.1
UNSPECIFIED	0	
TOTAL ORDER PROCESSING	3424	3.3
SHIPPING & WAREHOUSING		
SALARIES	0	0.0
BENEFITS	0	0.0
OCCUPANCY	536	0.5
EQUIPMENT & SUPPLIES	0	0.0
TRANSPORTATION CHRGES	625	0.6
OTHER	13	0.0
UNSPECIFIED	0	

Continued...	ALL PUBLISHERS	
	$	PCT-NET SALES
TOTAL SHIPPING AND WAREHOUSING	1174	1.1
TOTAL FULFILLMENT EXP. UTILIZING INTERNAL FACILITIES	4598	4.5
ORDER PROCESSING	361	0.3
SHIPPING & WAREHOUSING	1185	1.1
TOTAL FULFILLMENT EXP. EMPLOYING OUTSIDE SERVICES	1546	1.5
TOTAL FULFILLMENT EXPENSE	6143	6.0

TABLE B13 - GENERAL AND ADMINISTRATIVE EXPENSE BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 19 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $274,957,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
MANAGEMENT SALARIES	5250	1.9	1661	1.8	1140	3.2	2060	1.7
MANAGEMENT BENEFITS	993	0.4	285	0.3	189	0.5	476	0.4
ACCOUNTING SALARIES	3459	1.3	1180	1.3	451	1.2	1222	1.0
ACCOUNTING BENEFITS	705	0.3	222	0.2	102	0.3	244	0.2
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	1975	0.7	682	0.7	206	0.6	714	0.6
GENERAL OFFICE BENEFITS	474	0.2	225	0.2	47	0.1	112	0.1
GENERAL TRAVEL AND ENTERTAINMENT	670	0.2	230	0.3	94	0.3	303	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	3677	1.3	1231	1.3	111	0.3	1440	1.2
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	5754	2.1	1436	1.6	458	1.3	3697	3.0
OTHER TAXES (EXCEPT INC. & PAYROLL TAXES)	543	0.2	203	0.2	29	0.1	247	0.2
PERSONAL PROP. TAXES	273	0.1	44	0.0	26	0.1	180	0.1
ALL OTHER	233	0.1	138	0.2	3	0.0	51	0.0
UNSPECIFIED	37		21		0		17	
OTHER	8562	3.1	3052	3.3	993	2.7	3512	2.9
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	32063	11.7	10405	11.3	3821	10.6	14026	11.5

TABLE B14 - SUMMARY OF EMPLOYEE BENEFITS EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 17 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $267,849,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PENSIONS	943	0.4	239	0.3	162	0.5	390	0.3
DEFERRED PROFIT SHARING	409	0.2	249	0.3	1	0.0	159	0.1
HOSPITALIZATION & GROUP INSURANCE	3214	1.2	1137	1.2	477	1.4	1273	1.1
PAYROLL TAXES	3090	1.2	1057	1.1	487	1.4	1219	1.0
OTHER	783	0.3	278	0.3	128	0.4	201	0.2
TOTAL EMPLOYEE BENEFITS	8438	3.2	2961	3.2	1256	3.6	3241	2.8

TABLE B15 - OPERATING DATA OF PROFESSIONAL BOOK PUBLISHERS-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 23 PUBLISHERS

	ALL PUBLISHERS			8 PUBLISHERS WITH NET SALES UP TO $5 MILLION		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	438550	119.3	111.9 TO 116.9	32620	115.9	111.6 TO 116.3
RETURNS AND ALLOWANCES	70880	19.3	11.9 TO 16.9	4470	15.9	11.6 TO 16.3
NET SALES	367670	100.0	100.0 TO 100.0	28150	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	88673	31.8	24.0 TO 36.7	7009	28.3	19.4 TO 32.8
ROYALTIES	28851	10.3	7.2 TO 10.9	2042	8.3	5.3 TO 9.9
UNSPECIFIED	37396			1243		
TOTAL COST OF SALES	154920	42.1	33.3 TO 47.2	10295	36.6	30.1 TO 42.2
GROSS MARGIN ON SALES	212750	57.9	52.8 TO 66.7	17855	63.4	57.8 TO 69.9
OTHER INCOME	9422	2.6	0.3 TO 1.9	225	0.8	0.2 TO 0.6
OPERATING EXPENSE						
EDITORIAL	23128	8.1	4.9 TO 10.8	2344	8.5	5.4 TO 10.7
PRODUCTION	8173	2.9	1.2 TO 4.8	732	2.7	3.1 TO 5.2
MARKETING	59160	20.7	16.0 TO 21.9	5461	19.8	12.1 TO 26.8
FULFILLMENT	20081	7.0	4.7 TO 8.7	2422	8.8	4.7 TO 8.9
GENERAL & ADMIN.	33134	11.6	9.3 TO 14.5	3040	11.0	8.6 TO 14.4
UNSPECIFIED	40898			274		
TOTAL OPERATING EXPENSE	184574	50.2	41.3 TO 57.3	14273	50.7	42.0 TO 57.0
INCOME FROM OPERATIONS*	37596	10.2	2.7 TO 18.9	3805	13.5	3.5 TO 22.9

Continued on page B-15

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

TABLE B15 - OPERATING DATA OF PROFESSIONAL BOOK PUBLISHERS-BY SIZE OF PUBLISHER

Continued from page B-14

	7 PUBLISHERS WITH NET SALES $5 TO $20 MILLION			8 PUBLISHERS WITH NET SALES ABOVE $20 MILLION		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	110134	114.9	111.1 TO 116.6	295796	121.4	114.8 TO 128.0
RETURNS AND ALLOWANCES	14287	14.9	11.1 TO 16.6	52123	21.4	14.6 TO 28.0
NET SALES	95847	100.0	100.0 TO 100.0	243673	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	31878	33.3	28.2 TO 46.7	49786	31.3	22.4 TO 38.5
ROYALTIES	9095	9.5	7.8 TO 11.9	17714	11.2	8.5 TO 13.8
UNSPECIFIED	0			36152		
TOTAL COST OF SALES	40973	42.7	36.5 TO 52.2	103652	42.5	40.1 TO 47.8
GROSS MARGIN ON SALES	54874	57.3	47.8 TO 63.5	140021	57.5	52.2 TO 59.9
OTHER INCOME	1177	1.2	0.6 TO 1.6	8020	3.3	0.3 TO 7.1
OPERATING EXPENSE						
EDITORIAL	7587	7.9	4.3 TO 10.8	13197	8.1	3.8 TO 15.7
PRODUCTION	3465	3.6	1.4 TO 5.0	3976	2.5	0.9 TO 4.8
MARKETING	18052	18.8	15.0 TO 21.5	35647	22.0	18.7 TO 25.2
FULFILLMENT	5591	5.8	4.1 TO 8.2	12068	7.4	4.4 TO 10.5
GENERAL & ADMIN.	13847	14.4	10.1 TO 20.3	16247	10.0	9.1 TO 11.3
UNSPECIFIED	0			40623		
TOTAL OPERATING EXPENSE	48543	50.6	40.2 TO 59.6	121758	50.0	38.6 TO 54.6
INCOME FROM OPERATIONS*	7508	7.8	2.6 TO 18.9	26283	10.8	4.6 TO 18.3

TABLE B16 - MANUFACTURING EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 18 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $234,675,000

	ALL PUBLISHERS		7 PUBLISHERS WITH NET SALES UP TO $5 MILLION		6 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		5 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
BEGINNING INVENTORY	47706	20.3	7621	29.5	20151	26.1	19934	15.1
PURCHASES (TOTAL)	90250	38.5	7915	30.6	30786	39.9	51549	39.1
PLANT COSTS	17289	10.6	1151	5.9	7375	9.6	8763	13.1
PAPER, PRINTING & BINDING	45681	27.9	4803	24.7	23411	30.4	17467	26.1
UNSPECIFIED	27281		1961		0		25319	
COST OF FREE BOOKS	2534	1.1	373	1.4	508	0.7	1652	1.3
WRITE DOWNS	6971	3.0	645	2.5	2485	3.2	3840	2.9
ENDING INVENTORY AFTER WRITE DOWNS	58066	24.7	8000	31.0	23770	30.8	26297	20.0
TOTAL MANUFACTURING EXP.	77356	33.0	7164	27.7	26658	34.6	43534	33.0

See also the discussion following Table B-6.

TABLE B17 - ROYALTY EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 19 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $272,076,000

	ALL PUBLISHERS		6 PUBLISHERS WITH NET SALES UP TO $5 MILLION		7 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		6 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ROYALTIES PAID	28581	10.5	1748	8.4	8953	9.3	17880	11.5
FEES IN LIEU OF ROYALTIES	142	0.0	0	0.0	8	0.0	134	0.1
ADVANCES WRITTEN OFF	276	0.1	20	0.1	134	0.2	122	0.1
TOTAL ROYALTIES	28999	10.7	1768	8.5	9095	9.5	18136	11.7

TABLE B18 - EDITORIAL EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 19 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $256,387,000

	ALL PUBLISHERS		8 PUBLISHERS WITH NET SALES UP TO $5 MILLION		5 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		6 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
EDITORIAL EXPENSE								
SALARIES	9938	3.9	1282	4.6	3797	5.2	4858	3.1
BENEFITS	1823	0.7	266	0.9	585	0.8	972	0.6
OUTSIDE EDITORIAL EXP	1926	0.8	322	1.1	669	0.9	935	0.6
TRAVEL & ENTERTAINMNT	1414	0.6	231	0.8	508	0.7	676	0.4
OTHER	2967	1.2	274	1.0	874	1.2	1819	1.2
TOTAL EDITORIAL EXPENSE	18067	7.1	2374	8.4	6433	8.8	9260	6.0

TABLE B19 - PRODUCTION EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 16 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $262,247,000

	ALL PUBLISHERS		4 PUBLISHERS WITH NET SALES UP TO $5 MILLION		6 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		6 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PRODUCTION EXPENSE								
SALARIES	5743	2.2	506	2.6	1985	2.3	3253	2.1
BENEFITS	1066	0.4	86	0.4	348	0.4	632	0.4
OUTSIDE PRODUCT'N EXP	358	0.1	48	0.2	55	0.1	255	0.2
OTHER	589	0.2	92	0.5	187	0.2	310	0.2
TOTAL PRODUCTION EXPENSE	7757	3.0	732	3.8	2575	2.9	4450	2.9

TABLE B20 - MARKETING EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 19 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $251,376,000

	ALL PUBLISHERS		7 PUBLISHERS WITH NET SALES UP TO $5 MILLION		7 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		5 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SELLING EXPENSE								
SALESMEN'S SALARIES & COMMISSIONS	3096	1.2	285	1.1	1906	2.0	904	0.7
SALESMEN'S BENEFITS	249	0.1	7	0.0	91	0.1	151	0.1
SALESMEN'S TRAVEL & ENTERTAINMENT	539	0.2	12	0.0	221	0.2	307	0.2
DEPARTMENTAL SALARIES	4648	1.8	252	1.0	1963	2.0	2433	1.9
DEPARTMENTAL BENEFITS	773	0.3	54	0.2	263	0.3	456	0.4
DEPARTMENTAL TRAVEL & ENTERTAINMENT	747	0.3	23	0.1	273	0.3	451	0.3
OTHER	7247	2.9	231	0.9	2538	2.6	4478	3.5
TOTAL SELLING EXPENSE	17299	6.9	865	3.3	7254	7.6	9180	7.1
PROMOTION								
DEPARTMENTAL SALARIES	4951	2.0	441	1.7	1942	2.0	2568	2.0
BENEFITS	957	0.4	92	0.4	347	0.4	518	0.4
SPACE ADVERTISING	2514	1.0	226	0.9	370	0.4	1917	1.5
CATALOGS & DIRECT MAIL (TOTAL)	15856	6.3	2812	10.9	5829	6.1	7215	5.6
CATALOGS	2078	1.0	173	0.7	358	0.4	1547	1.2
DIRECT MAIL	11384	5.3	789	3.1	5308	5.7	5668	4.4
UNSPECIFIED	2012		1850		163		0	
PUBLICITY	1016	0.4	4	0.0	528	0.6	484	0.4
FREE COPIES	2949	1.2	348	1.3	580	0.6	2021	1.6
EXHIBITS	2330	0.9	144	0.6	990	1.0	1197	0.9
OTHER	5086	2.0	156	0.6	213	0.2	4716	3.6
TOTAL PROMOTION EXPENSE	35658	14.2	4223	16.3	10799	11.3	20636	15.9
TOTAL MARKETING EXPENSE	52957	21.1	5087	19.7	18053	18.8	29817	23.0

TABLE B21 - FULFILLMENT EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS

6 PUBLISHERS WITH NET SALES OF $101,407,000 UTILIZING INTERNAL FACILITIES	ALL PUBLISHERS		2 PUBLISHERS WITH NET SALES UP TO $5 MILLION		1 PUBLISHER WITH NET SALES $5 TO $20 MILLION		3 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ORDER PROCESSING								
SALARIES	1632	1.6					1401	1.7
BENEFITS	281	0.3					231	0.3
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	1142	1.1					610	0.8
EQUIPMENT & SUPPLIES	416	0.4					406	0.5
OTHER	309	0.3					270	0.3
TOTAL ORDER PROCESSING	3781	3.7					2919	3.6
SHIPPING & WAREHOUSING								
SALARIES	1265	1.2					891	1.1
BENEFITS	264	0.3					189	0.2
OCCUPANCY	903	0.9					669	0.8
EQUIPMENT & SUPPLIES	480	0.5					277	0.3
TRANSPORTATION CHRGES	408	0.4					239	0.3
OTHER	339	0.3					232	0.3
TOTAL SHIPPING AND WAREHOUSING	3660	3.6					2498	3.1
TOTAL FULFILLMENT EXP. OF PUBLISHERS UTILIZING INTERNAL FACILITIES	7440	7.3					5417	6.8

Data for publishers with Net Sales Up To $5 Million, and for Publishers with Net Sales $5-$20 Million have been suppressed to prevent disclosure.

TABLE B22 - GENERAL AND ADMINISTRATIVE EXPENSE-BY SIZE OF PUBLISHER

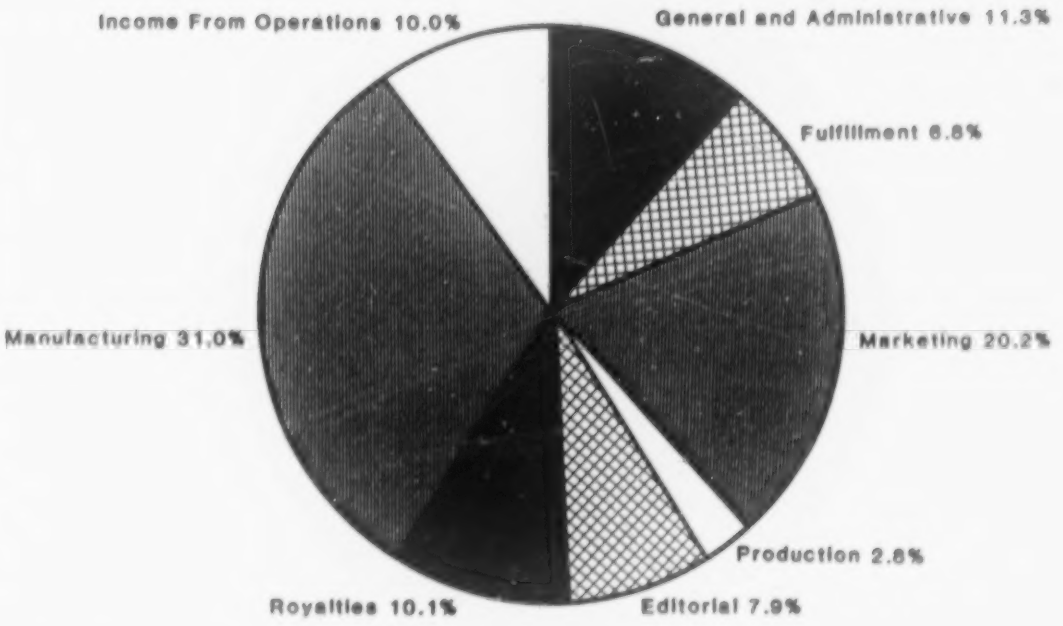
THOUSANDS OF DOLLARS - AS REPORTED BY 19 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $274,957,000

	ALL PUBLISHERS		6 PUBLISHERS WITH NET SALES UP TO $5 MILLION		7 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		6 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
MANAGEMENT SALARIES	5250	1.9	454	1.9	1255	1.3	3541	2.3
MANAGEMENT BENEFITS	993	0.4	115	0.5	333	0.3	545	0.4
ACCOUNTING SALARIES	3459	1.3	371	1.6	1507	1.6	1582	1.0
ACCOUNTING BENEFITS	705	0.3	92	0.4	293	0.3	321	0.2
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	1975	0.7	110	0.5	952	1.0	913	0.6
GENERAL OFFICE BENEFITS	474	0.2	125	0.5	172	0.2	178	0.1
GENERAL TRAVEL AND ENTERTAINMENT	670	0.2	44	0.2	305	0.3	321	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	3677	1.3	70	0.3	2294	2.4	1313	0.8
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	5754	2.1	359	1.5	3103	3.2	2291	1.5
OTHER TAXES (EXCEPT INC. & PAYROLL TAXES)	543	0.2	62	0.3	322	0.3	159	0.1
PERSONAL PROP. TAXES	273	0.1	31	0.1	154	0.2	87	0.1
ALL OTHER	233	0.1	30	0.1	168	0.2	34	0.0
UNSPECIFIED	37		0		0		37	
OTHER	8562	3.1	811	3.4	4194	4.4	3557	2.3
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	32063	11.7	2612	11.0	14730	15.4	14721	9.5

TABLE B23 - SUMMARY OF EMPLOYEE BENEFITS EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 17 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $267,849,000

	ALL PUBLISHERS		4 PUBLISHERS WITH NET SALES UP TO $5 MILLION		7 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		6 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PENSIONS	943	0.4	144	0.9	292	0.3	507	0.3
DEFERRED PROFIT SHARING	409	0.2	4	0.0	159	0.2	246	0.2
HOSPITALIZATION & GROUP INSURANCE	3214	1.2	214	1.3	1000	1.0	1999	1.3
PAYROLL TAXES	3090	1.2	237	1.4	1194	1.2	1658	1.1
OTHER	783	0.3	19	0.1	300	0.3	464	0.3
TOTAL EMPLOYEE BENEFITS	8438	3.2	619	3.7	2945	3.1	4875	3.1



Based on data reported in Table B5
Income (100%) Equals Net Sales (97.5%) plus Other Income (2.5%)

FIGURE B2 - 1988 DISPOSITION OF INCOME BY PROFESSIONAL PUBLISHERS

TABLE B24 - EMPLOYEE DATA

AS REPORTED BY 21 PUBLISHERS OF PROFESSIONAL BOOKS, EMPLOYING 2,109 TOTAL STAFF (NET SALES PER EMPLOYEE - $143,970)

	PERCENT OF TOTAL	
	AVERAGE	MID-RANGE
EDITORIAL	22.5	16.7 TO 28.7
PRODUCTION	15.4	8.3 TO 21.7
MARKETING (TOTAL)	22.6	16.6 TO 28.2
SALESMEN	2.1	3.3 TO 6.7
SALES DEPARTMENT	4.1	4.8 TO 11.2
PROMOTION	7.4	8.9 TO 18.9
UNSPECIFIED	9.0	
FULFILLMENT (TOTAL)	23.0	18.2 TO 33.1
ORDER PROCESSING	12.3	10.3 TO 24.8
SHIPPING & WAREHOUS'G	5.0	8.9 TO 16.1
UNSPECIFIED	5.7	
ADMINISTRATIVE MANAGEM'T	5.7	3.6 TO 12.4
GENERAL OFFICE	8.7	4.6 TO 16.0
OTHER	2.1	
EMPLOYEES PER $100,000 SALES	0.7	0.5 TO 0.9

TABLE B25 - BILLINGS AND RECEIVABLES

OF PROFESSIONAL BOOK PUBLISHERS

	NUMBER OF PUBL. REP'TG	AMOUNT
NET SALES ($000)	15	211855
NUMBER OF INVOICES ANNUALLY (000)	12	1401
AVERAGE INV. VALUE-$		121.25
NUMBER OF CREDIT MEMOS ANNUALLY (000)	11	158
ACC'TS RECEIVABLE (AT YEAR END - $000)	14	46074
A/R AS PCT OF NET SLS		21.9
ACC'TS RECEIVABLE - AGED TOTAL ($000)	12	41580
PCT. CURRENT		56.2
PCT. PAST DUE		
1-30 DAYS		17.5
31-60 DAYS		13.1
61 DAYS & OVER		13.2
BAD DEBT RESERVE ($000)	12	6149
PCT. OF NET SALES		3.2
PCT. OF ACC'TS RECE.		13.4
BAD DEBT LOSSES ($000)	13	1433
PCT. OF NET SALES		0.8
PCT. OF ACC'TS RECE.		3.5
AVERAGE COLLECTION PERIOD (DAYS)	14	86
RANGE (DAYS)		62-112

TABLE B26 - INVENTORY TURNOVER

OF PROFESSIONAL BOOK PUBLISHERS

	NUMBER OF PUBL. REP'TS	NET SALES ($000)	INV. TURN-OVER
TECHNICAL & SCIENTIFIC	9	77079	1.7
BUSINESS & OTHER PROF'L	6	37575	1.1
MEDICAL	7	97098	1.6
SALES UP TO $5 MILLION	6	17810	1.1
SALES $5 TO $20 MILLION	7	85141	1.1
SALES ABOVE $20 MILLION	6	155313	1.5

In Table B26 inventory turnover is established by dividing Total Manufacturing Cost by the average of Beginning Inventory and Ending Inventory After Writedowns. For pertinent definitions, refer to pages B1 and B2 of Operating Data Questionnaire Form B. Also please note the text comments on plant costs and plant cost treatment following Table B6.

In comparing his own inventory turnover with that reported here, a publisher should bear in mind not only the possible impact of plant cost treatment on inventory values, but also the variations in such values resulting from differing writedown policies. Most writedown practices in the industry must, perforce, be based on the subjective judgement of market values, reflecting varying life expectancies and turnover of product lines and individual titles. A publisher must keep his own sales patterns in mind, therefore, when making the comparison.

SECTION C - MASS MARKET PAPERBACK PUBLISHERS

Please refer to the GENERAL INSTRUCTIONS AND DEFINITIONS, and the specific instructions and definitions for this divisional survey in QUESTIONNAIRE FORM C (available on request from the AAP New York Office) to insure the correct interpretation of this report. Furthermore, the methodology used in gathering and reporting data, which is discussed in the INTRODUCTION should be reviewed for a full understanding of the tables and text.

Table C1 provides a sales summary based on data reported by 8 rack-sized book publishers and by 7 non-rack-sized publishers.

These publishers of mass market paperbacks reported net sales of $1109.8 million to this 1988 Survey. Of these sales $934.3 million were in rack-sized books (i.e. books measuring 4-1/4" x 7-1/8") and $175.5 million were in non-rack-sized books (including a range of paperback books, smaller and larger than rack-sized, but excluding non-book products.) Based on preliminary estimates of industry sales, the participating publishers appear to represent some 82.1% of this industry segment.

Table C2 provides a breakdown of these sales by type of customer. **Table C3** and subsequent tables are devoted to reporting operating, balance sheet, and employee data.

TABLE C1 - SALES OF MASS MARKET PAPERBACKS

MILLIONS OF DOLLARS AND UNITS - AS REPORTED BY 8 PUBLISHERS

A. RACK-SIZED BOOKS	1988			1987			PERCENT CHANGE 88/87		
	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT
GROSS SALES	1559.2	727.5	2.143	1375.3	663.2	2.074	13.4	9.7	3.3
CREDITED RETURNS	624.9	288.4	2.166	558.0	268.9	2.075	12.0	7.3	4.4
NET SALES	934.3	439.1	2.128	817.3	394.3	2.073	14.3	11.4	2.7
PERCENT RETURNS TO GROSS	40.1	39.6		40.6	40.5		-1.2	-2.2	

	1986			PERCENT CHANGE 88/86			PERCENT CHANGE 87/86		
	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT
GROSS SALES	1200.2	633.2	1.896	29.9	14.9	13.0	14.6	4.7	9.4
CREDITED RETURNS	493.0	256.3	1.923	26.7	12.5	12.6	13.2	4.9	7.9
NET SALES	707.1	376.8	1.877	32.1	16.5	13.4	15.6	4.6	10.4
PERCENT RETURNS TO GROSS	41.1	40.5		-2.4	-2.2		-1.2	0.0	

Continued on page C-2

TABLE C1 - SALES OF MASS MARKET PAPERBACKS

Continued from page C-1

MILLIONS OF DOLLARS AND UNITS - AS REPORTED BY 7 PUBLISHERS

D. NON-RACK-SIZED BOOKS	1988			1987			PERCENT CHANGE 88/87		
	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT
GROSS SALES	221.6	75.0	2.957	162.3	53.3	3.044	36.5	40.6	-2.9
CREDITED RETURNS	46.1	12.8	3.610	35.6	10.8	3.291	29.5	18.0	9.7
NET SALES	175.5	62.2	2.823	126.7	42.5	2.981	38.5	46.3	-5.3
PERCENT RETURNS TO GROSS	20.8	17.0		21.9	20.3		-5.0	-16.3	

	1986			PERCENT CHANGE 88/86			PERCENT CHANGE 87/86		
	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT
GROSS SALES	108.3	31.7	3.422	104.6	136.8	-13.6	49.8	68.5	-11.0
CREDITED RETURNS	29.5	7.8	3.781	56.4	63.8	-4.5	20.8	38.8	-13.0
NET SALES	78.9	23.9	3.305	122.5	160.6	-14.6	60.7	78.2	-9.8
PERCENT RETURNS TO GROSS	27.2	24.6		-23.5	-30.9		-19.5	-17.5	

TABLE C2a - SALES OF RACK-SIZED MASS MARKET PAPERBACKS-BY TYPE OF CUSTOMER

THOUSANDS OF DOLLARS AND UNITS AS REPORTED BY 8 PUBLISHERS

RACK-SIZED BOOKS 1988	GROSS SALES			CREDITED RETURNS			NET SALES		
	$	UNITS	$/UNIT	$	UNITS	$/UNIT	$	UNITS	$/UNIT
WHOLESALERS-U.S., CANADA									
NEW RELEASES	488083	223038	2.188						
REORDERS	180486	87743	2.057						
TOTAL WHOLESALERS	668569	310781	2.216	375567	180735	2.078	293002	130046	2.253
DIRECT ACCOUNTS									
JOBBERS	256578	120885	2.122	68192	29540	2.308	188386	91345	2.062
RETAILERS	459220	206387	2.225	151892	64365	2.359	307358	142022	2.164
EXPORT & MILITARY	22004	13127	1.676	4390	2283	1.923	17614	10844	1.624
TOTAL DIRECT	737802	340399	2.167	224444	96188	2.333	513358	244211	2.102
SPECIAL SALES	152819	76334	2.002	24841	11522	2.156	127978	64812	1.975
TOTAL	1559190	727514	2.143	624852	288445	2.166	934338	439069	2.128
WEIGHTED AVERAGE COVER PRICE ($)	3.554								

Continued on page C-3

TABLE C2a - SALES OF RACK-SIZED MASS MARKET PAPERBACKS-BY TYPE OF CUSTOMER

Continued from page C-2

RACK-SIZED BOOKS 1987	GROSS SALES			CREDITED RETURNS			NET SALES		
	$	UNITS	$/UNIT	$	UNITS	$/UNIT	$	UNITS	$/UNIT
WHOLESALERS-U.S., CANADA									
NEW RELEASES	522071	249222	2.095						
REORDERS	142546	71712	1.988						
TOTAL WHOLESALERS	664617	320934	2.071	373728	184211	2.029	290889	136723	2.128
DIRECT ACCOUNTS									
JOBBERS	190707	88123	2.164	53246	22099	2.409	137461	66024	2.082
RETAILERS	378441	167125	2.264	110025	53136	2.071	268416	113989	2.355
EXPORT & MILITARY	17707	13186	1.343	2670	1381	1.933	15037	11805	1.274
TOTAL DIRECT	586855	268434	2.186	165941	76616	2.166	420914	191818	2.194
SPECIAL SALES	123864	73791	1.679	18379	8080	2.275	105485	65711	1.605
TOTAL	1375336	663159	2.074	558048	268907	2.075	817288	394252	2.073
WEIGHTED AVERAGE COVER PRICE ($)	3.331								

RACK-SIZED BOOKS 1986	GROSS SALES			CREDITED RETURNS			NET SALES		
	$	UNITS	$/UNIT	$	UNITS	$/UNIT	$	UNITS	$/UNIT
WHOLESALERS-U.S., CANADA									
NEW RELEASES	493441	248711	1.984						
REORDERS	126588	67366	1.879						
TOTAL WHOLESALERS	620029	316077	1.962	335027	175816	1.906	285002	140261	2.032
DIRECT ACCOUNTS									
JOBBERS	150069	81199	1.848	41295	21606	1.911	108774	59593	1.825
RETAILERS	317099	160856	1.971	102072	51114	1.997	215027	109742	1.959
EXPORT & MILITARY	17734	14521	1.221	3640	2388	1.524	14094	12133	1.162
TOTAL DIRECT	484902	256576	1.890	147007	75108	1.957	337895	181468	1.862
SPECIAL SALES	95245	60501	1.574	11006	5420	2.031	84239	55081	1.529
TOTAL	1200176	633154	1.896	493040	256344	1.923	707136	376810	1.877
WEIGHTED AVERAGE COVER PRICE ($)	3.223								

WEIGHTED AVERAGE COVER PRICE

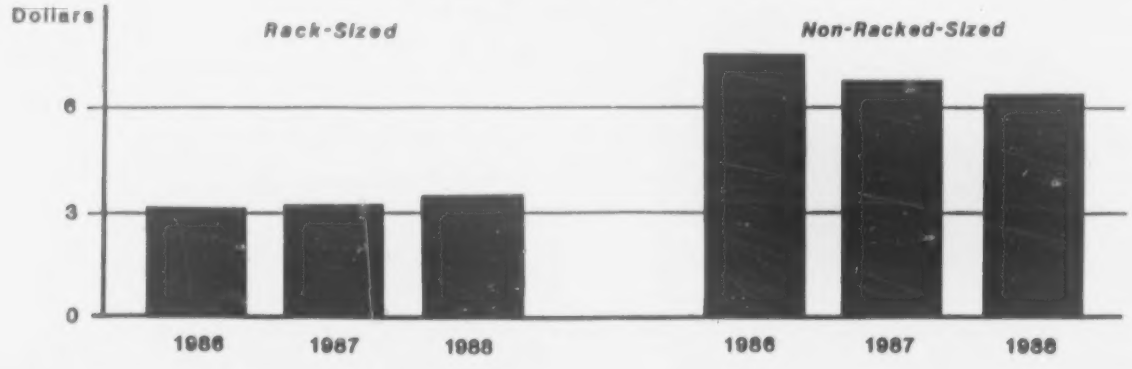


TABLE C2b - SALES OF NON-RACK-SIZED MASS MARKET PAPERBACKS-BY TYPE OF CUSTOMER

THOUSANDS OF DOLLARS AND UNITS AS REPORTED BY 7 PUBLISHERS

NON-RACK-SIZED BOOKS 1988	GROSS SALES			CREDITED RETURNS			NET SALES		
	$	UNITS	$/UNIT	$	UNITS	$/UNIT	$	UNITS	$/UNIT
WHOLESALERS-U.S., CANADA									
NEW RELEASES	30242	11109	2.722						
REORDERS	18050	7143	2.527						
TOTAL WHOLESALERS	48292	18252	2.646	17008	4948	3.437	31284	13304	2.351
DIRECT ACCOUNTS									
JOBBERS	57527	19957	2.883	9892	2858	3.461	47635	17099	2.786
RETAILERS	101973	33376	3.055	18653	4882	3.821	83320	28494	2.924
EXPORT & MILITARY	4498	1159	3.881	332	45	7.378	4166	1114	3.740
TOTAL DIRECT	163998	54492	3.010	28877	7785	3.709	135121	46707	2.893
SPECIAL SALES	9313	2206	4.222	183	29	6.310	9130	2177	4.194
TOTAL	221603	74950	2.957	46068	12762	3.610	175535	62188	2.823
WEIGHTED AVERAGE COVER PRICE ($)	6.434								

NON-RACK-SIZED BOOKS 1987	GROSS SALES			CREDITED RETURNS			NET SALES		
	$	UNITS	$/UNIT	$	UNITS	$/UNIT	$	UNITS	$/UNIT
WHOLESALERS-U.S., CANADA									
NEW RELEASES	25185	7254	3.472						
REORDERS	7467	2514	2.970						
TOTAL WHOLESALERS	32652	9768	3.343	11990	3893	3.080	20662	5875	3.517
DIRECT ACCOUNTS									
JOBBERS	41310	13756	3.003	7339	2295	3.198	33971	11461	2.964
RETAILERS	81133	24075	3.370	15986	4494	3.557	65147	19581	3.327
EXPORT & MILITARY	2447	1207	2.027	207	117	1.769	2240	1090	2.055
TOTAL DIRECT	124890	39038	3.199	23532	6906	3.407	101358	32132	3.154
SPECIAL SALES	4788	4517	1.060	64	13	4.923	4724	4504	1.050
TOTAL	162330	53323	3.044	35586	10812	3.291	126744	42511	2.981
WEIGHTED AVERAGE COVER PRICE ($)	6.840								

NON-RACK-SIZED BOOKS 1986	GROSS SALES			CREDITED RETURNS			NET SALES		
	$	UNITS	$/UNIT	$	UNITS	$/UNIT	$	UNITS	$/UNIT
WHOLESALERS-U.S., CANADA									
NEW RELEASES	16357	4324	3.783						
REORDERS	5591	2063	2.710						
TOTAL WHOLESALERS	21948	6387	3.436	8995	2897	3.105	12953	3490	3.711
DIRECT ACCOUNTS									
JOBBERS	22112	6303	3.508	6593	1533	4.301	15519	4770	3.253
RETAILERS	58457	16602	3.521	13444	3224	4.170	45013	13378	3.365
EXPORT & MILITARY	2052	800	2.565	299	89	3.360	1753	711	2.466
TOTAL DIRECT	82621	23705	3.485	20336	4846	4.196	62285	18859	3.303
SPECIAL SALES	3765	1562	2.410	128	49	2.612	3637	1513	2.404
TOTAL	108334	31654	3.422	29459	7792	3.781	78875	23862	3.305
WEIGHTED AVERAGE COVER PRICE ($)	7.492								

TABLE C3a - OPERATING DATA OF MASS MARKET PAPERBACK PUBLISHERS (RACK-SIZED BOOKS ONLY)

THOUSANDS OF DOLLARS - AS REPORTED BY 4 PUBLISHERS

	1988			1987		
	$	PERCENT OF GROSS SALES		$	PERCENT OF GROSS SALES	
		%	RANGE		%	RANGE
REVENUES						
GROSS SALES	505667	100.0	100.0 TO 100.0	430257	100.0	100.0 TO 100.0
INCENTIVES	4568	0.9	0.3 TO 3.1	3327	0.8	0.3 TO 2.7
RETURNS & ALLOW. -						
CREDITED	202720	40.1	29.3 TO 56.6	172950	40.2	33.3 TO 52.6
ADD'L PROVISION	1626	0.3	-1.1 TO 1.3	-2566	-0.6	-3.0 TO 2.7
ALLOWANCES	5290	1.0	0.8 TO 2.8	8522	2.0	0.3 TO 5.8
TOTAL INCENTIVES & RETURNS	214204	42.4	32.2 TO 58.5	182233	42.4	33.2 TO 55.8
NET SALES	291463	57.6	41.5 TO 67.8	248024	57.6	44.2 TO 66.8
COST OF SALES						
COST OF GOODS MANUFACTURED & SOLD	90163	17.8	16.2 TO 20.4	76937	17.9	17.4 TO 19.1
ROYALTIES	80022	15.8	8.5 TO 17.4	67775	15.8	8.9 TO 16.2
FREIGHT & DUTY	17123	3.4	2.6 TO 3.9	14693	3.4	2.2 TO 4.1
TOTAL COST OF SALES	187308	37.0	31.5 TO 39.0	159405	37.0	28.5 TO 39.0
GROSS PROFIT	104155	20.6	9.9 TO 30.3	88619	20.6	15.7 TO 27.8
EXPENSES						
EDITORIAL	5947	1.2	1.0 TO 1.6	4402	1.0	0.4 TO 1.5
PRODUCTION	3528	0.7	0.4 TO 0.9	3040	0.7	0.5 TO 0.8
PROMOTION AND PUBLICITY	22504	4.5	2.4 TO 6.1	16991	3.9	2.6 TO 5.1
ALL OTHER EXPENSE OR (INCOME) NET	55424	11.0	7.9 TO 15.5	47271	11.0	6.3 TO 15.3
TOTAL EXPENSE	87403	17.3	11.8 TO 24.0	71704	16.7	12.4 TO 22.8
INCOME BEFORE TAX, INTEREST EXPENSE & MANAGEMENT FEES*	16752	3.3	-4.7 TO 6.3	16915	3.9	2.9 TO 5.0

In addition to the tabular data reported in **Table C3a**, Gross Sales Units were estimated to be 248,117,000 in 1988 and 218,706,000 in 1987, while Returns Units were estimated at 98,761,000 in 1988 and 88,145,000 in 1987.

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

TABLE C3b - REVENUES AND COST OF SALES OF NON-RACK-SIZED BOOK PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 3 PUBLISHERS

	1988			1987		
	$	PERCENT OF GROSS SALES		$	PERCENT OF GROSS SALES	
		%	RANGE		%	RANGE
REVENUES						
GROSS SALES	81323	100.0	100.0 TO 100.0	760225	100.0	100.0 TO 100.0
INCENTIVES	0	0.0		0	0.0	
RETURNS & ALLOW. -						
CREDITED	18982	23.3	13.2 TO 38.7	19960	26.3	22.7 TO 34.4
ADD'L PROVISION	2612	3.2	1.0 TO 9.5	-574	-0.8	
ALLOWANCES	89	0.1	-2.0 TO 1.1	567	0.7	0.2 TO 3.7
TOTAL INCENTIVES & RETURNS	21683	26.7	23.8 TO 36.7	19953	26.2	18.9 TO 38.1
NET SALES	59640	73.3	63.3 TO 76.2	56069	73.8	61.9 TO 81.1
COST OF SALES						
COST OF GOODS MANUFACTURED & SOLD	23188	28.5	19.5 TO 32.9	22433	29.5	24.6 TO 31.9
ROYALTIES	8922	11.0	9.3 TO 15.3	10698	14.1	12.3 TO 17.7
FREIGHT & DUTY	1224	1.5	1.2 TO 1.7	1141	1.5	1.3 TO 1.6
TOTAL COST OF SALES	33334	41.0	35.9 TO 43.9	34272	45.1	38.2 TO 47.0
GROSS PROFIT	26306	32.3	27.4 TO 40.2	21797	28.7	23.7 TO 35.5

In addition to the tabular data reported in **Table C3b**, Gross Sales Units were estimated to be 18,884,000 in 1988 and 18,852,000 in 1987, while Returns Units were estimated at 3,641,000 in 1988 and 4,399,000 in 1987.

TABLE C4 - RESERVE FOR RETURNS OF MASS MARKET PAPERBACK PUBLISHERS

THOUSANDS OF DOLLARS

	RACK-SIZED BOOKS (4 PUBLISHERS)				NON-RACK-SIZED BOOKS (3 PUBLISHERS)			
	1988		1987		1988		1987	
	$	PCT OF GROSS SALES	$	PCT OF GROSS SALES	$	PCT OF GROSS SALES	$	PCT OF GROSS SALES
GROSS SALES	505667	100.0	430257	100.0	81323	100.0	76022	100.0
NET SALES	291463	57.6	248024	57.6	59640	73.3	56069	73.8
RESERVE FOR RETURNS	72369	14.3	71333	16.6	13565	16.7	11945	15.7

TABLE C5 - EDITORIAL, PRODUCTION, AND MARKETING EXPENSE (RACK-SIZED BOOKS ONLY)

THOUSANDS OF DOLLARS - AS REPORTED BY 4 PUBLISHERS
WITH TOTAL 1988 GROSS SALES OF $505,667,000

	1988			1987		
		PERCENT OF GROSS SALES			PERCENT OF GROSS SALES	
	$	%	MID-RANGE	$	%	MID-RANGE
EDITORIAL EXPENSE						
SALARIES	3129	0.6	0.5 TO 0.9	2486	0.6	0.4 TO 0.8
BENEFITS	751	0.1	0.1 TO 0.2	649	0.2	0.1 TO 0.2
ALL OTHER	2067	0.4	0.3 TO 0.5	1267	0.3	0.0 TO 0.4
TOTAL EDITORIAL EXPENSE	5947	1.2	1.0 TO 1.5	4402	1.0	0.5 TO 1.4
PRODUCTION EXPENSE						
SALARIES	1899	0.4	0.2 TO 0.5	1756	0.4	0.3 TO 0.5
BENEFITS	452	0.1	0.0 TO 0.1	456	0.1	0.1 TO 0.1
ALL OTHER	1177	0.2	0.1 TO 0.4	828	0.2	0.0 TO 0.3
TOTAL PRODUCTION EXPENSE	3528	0.7	0.4 TO 0.9	3040	0.7	0.5 TO 0.8
PROMOTION & PUBLICITY						
SALARIES	1802	0.4	0.2 TO 0.5	1501	0.3	0.2 TO 0.5
BENEFITS	385	0.1	0.0 TO 0.1	385	0.1	0.1 TO 0.1
OUTSIDE MEDIA, POINT OF SALE & PUBLICITY	18182	3.6	2.4 TO 4.7	13447	3.1	2.4 TO 4.6
RACK EXPENSE	1347	0.3	0.2 TO 0.4	689	0.2	0.0 TO 0.2
ALL OTHER	788	0.2		969	0.2	
TOTAL PROMOTION AND PUBLICITY	22504	4.5	2.9 TO 5.8	16991	3.9	3.0 TO 5.1

TABLE C6 - EMPLOYEE DATA (ALL PRODUCTS)

AS REPORTED BY 3 MASS MARKET PAPERBACK PUBLISHERS
EMPLOYING 1,265 TOTAL STAFF IN 1988
(1988 GROSS SALES PER EMPLOYEE - $420,057)

	PERCENT OF TOTAL			
	1988		1987	
	%	RANGE	%	RANGE
EDITORIAL	12.2	11.8 TO 12.3	12.6	11.8 TO 12.9
PRODUCTION	3.8	3.3 TO 5.3	4.0	3.8 TO 4.5
ART	3.4	3.2 TO 3.9	3.5	3.1 TO 4.0
MARKETING	23.2	21.3 TO 28.3	23.5	22.0 TO 29.3
FULFILLMENT	43.4	40.5 TO 47.4	41.9	37.9 TO 49.3
GENERAL & ADMINISTRATIVE	14.1	6.4 TO 31.1	14.6	6.7 TO 30.8

SECTION D - BOOK CLUBS AND MAIL ORDER PUBLICATIONS

Please refer to the GENERAL INSTRUCTIONS AND DEFINITIONS, and the specific instructions and definitions for this divisional survey in QUESTIONNAIRE FORM D (available on request from the AAP New York Office) to insure the correct interpretation of this report. Furthermore, the methodology used in gathering and reporting data, which is discussed in the INTRODUCTION should be reviewed for a full understanding of the tables and text.

BOOK CLUBS

8 publishers reported 1988 net sales of $523.6 million to this Survey. Based on our 1988 estimate (**Table S1**) of $690.2 million for this industry segment, the reporting publishers would account for 75.9% of the net sales.

Table D1 provides a sales summary and comparison between 1988 and 1987 based on data furnished by participating publishers, while **Table D2** shows Gross Sales by Category of Sales, and **Table D3** gives a Geographical Distribution of Gross Sales.

TABLE D1 - SALES BY BOOK CLUBS

THOUSANDS OF DOLLARS - AS REPORTED BY 8 PUBLISHERS

	1988	1987	PCT CHG 88/87
GROSS SALES	680403	660743	3.0
RETURNS	156785	145690	7.1
NET SALES	523618	515053	1.7
PCT. RETURNS TO GROSS	23.0	22.0	

4 Publishers with 1988 Net Sales of $238,966,000 reported an average dollars-per-unit of $11.15 in 1988, and $11.03 in 1987.

TABLE D2 - GROSS SALES BY BOOK CLUBS-BY CATEGORY OF SALE

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 3 PUBLISHERS

	GROSS SALES		DOLLARS PER UNIT	
	$	UNITS	$-AVG.	$-AVG. RANGE
PRIME SELECTIONS	147423	15372	9.59	6.41 TO 44.24
OTHER SALES	135594	8295	16.35	5.94 TO 21.88
BONUSES	13318	1451	9.18	9.13 TO 12.76
TOTAL	296335	25118	11.80	6.97 TO 25.97

TABLE D3 - GEOGRAPHICAL DISTRIBUTION OF GROSS SALES BY BOOK CLUBS

THOUSANDS OF DOLLARS
AS REPORTED BY 4 PUBLISHERS

	$	PCT. OF TOTAL
DOMESTIC SALES	279985	94.2
CANADIAN SALES	16606	5.6
OTHER FOREIGN SALES	670	0.2
TOTAL SALES	297261	100.0

The operating data for Book Club Publishers **(Tables D4 through D7)** have been suppressed this year beacuse insufficient data were reported to this survey.

MAIL ORDER PUBLICATIONS

Table D8 provides basic sales information for this segment of the book publishing industry. 1988 net sales of $292.2 million were reported to this Survey by 10 publishers, and with our 1988 estimate of industry sales **(Table S1)** of $697.7 million, it would appear that 41.9% of this publishing segment is reported in this table.

TABLE D8 - CONSUMER MAIL ORDER SALES OF MAIL ORDER PUBLICATIONS

THOUSANDS OF DOLLARS - AS REPORTED BY 10 PUBLISHERS

	1988	1987	PCT CHG 88/87
GROSS SALES	355489	333462	6.6
RETURNS	163251	157970	9.1
NET SALES	292238	275492	6.1
PCT. RETURNS TO GROSS	17.8	17.4	

4 Publishers with 1988 Net Sales of $233,348,000 reported an average dollars-per-unit of $13.32 in 1988, and $12.00 in 1987.

The operating data for Mail Order Publications **(Tables D9 through D13)** have been suppressed this year beacuse insufficient data were reported to this survey.

SECTION T - ESTIMATED ELHI AND COLLEGE INDUSTRY SALES

TABLE T1 - ESTIMATED INDUSTRY SALES OF TEXTBOOKS, EDUCATIONAL MATERIALS & STANDARDIZED TESTS

MILLIONS OF DOLLARS

	1972			1977			1982		
	$	INDEX	PCT OF TOTAL SALES	$	INDEX	PCT OF TOTAL SALES	$	INDEX	PCT OF TOTAL SALES
ELHI TEXTBOOKS (TOTAL)	498	100	49.0	756	152	47.2	1108	222	43.8
ELEMENTARY	318	100	31.3	480	151	30.0	703	221	27.8
HIGH SCHOOL	180	100	17.7	276	153	17.2	405	225	16.0
COLLEGE TEXTBOOKS	375	100	36.9	650	173	40.6	1206	322	47.6
AV AND OTHER MEDIA (TTL)	116	100	11.4	151	130	9.4	148	127	5.8
ELHI	101	100	9.9	131	130	8.2	130	129	5.1
COLLEGE	9	100	.9	12	133	.7	8	89	.3
OTHER	6	100	.6	8	133	.5	10	166	.4
STANDARDIZED TESTS	27	100	2.7	45	167	2.8	70	257	2.8
TOTAL	1016	100	100.0	1602	158	100.0	2532	249	100.0

	1985			1987			1988		
	$	INDEX	PCT OF TOTAL SALES	$	INDEX	PCT OF TOTAL SALES	$	INDEX	PCT OF TOTAL SALES
ELHI TEXTBOOKS (TOTAL)	1473	296	47.2	1696	341	47.6	1784	358	46.7
ELEMENTARY	921	290	29.5	1061	334	29.8	1122	353	29.4
HIGH SCHOOL	552	307	17.7	635	353	17.8	662	368	17.3
COLLEGE TEXTBOOKS	1358	362	43.5	1550	413	43.5	1717	458	44.9
AV AND OTHER MEDIA (TTL)	200	172	6.4	213	184	6.0	208	179	5.4
ELHI	174	172	5.6	175	173	4.9	167	165	4.3
COLLEGE	10	111	.3	15	167	.4	15	167	.4
OTHER	16	267	.5	23	383	.6	26	433	.7
STANDARDIZED TESTS	91	337	2.9	104	385	2.9	111	411	2.9
TOTAL	3122	307	100.0	3563	351	100.0	3820	376	100.0

With regard to the College Textbook estimate, the reader is referred to **Table G1** and the accompanying discussion.

TEXTBOOK SALES

The textbook-and-materials report is divided into three parts: this brief introductory section which provides industry sales estimates for both school and college publishing; followed by separate, detailed sales and operating data reports for school publishing (**Section F**, beginning on page F-3), and for college publishing (**Section G**, beginning on page G-1).

Total estimated industry textbook and materials sales are shown in **Table T1**. The estimates are based on reports from participating publishers and

(Text continued on page F-2)

TABLE T2 - ESTIMATED DOMESTIC INDUSTRY SALES OF TEXTBOOKS RELATED TO STUDENT ENROLLMENT

THOUSANDS OF STUDENTS AND DOLLARS

	ELEMENTARY					HIGH SCHOOL				
	ENROLLMENT			SALES ($)		ENROLLMENT			SALES ($)	
	PUBLIC	OTHER	TOTAL	TOTAL	PER CAPITA	PUBLIC	OTHER	TOTAL	TOTAL	PER CAPITA
1972	31845	3800	35645	301813	8.47	13909	1300	15209	170320	11.20
1977	29431	3600	33031	458122	13.87	14300	1400	15700	263762	16.80
1982	27156	4200	31356	680744	21.71	12496	1400	13896	375045	26.99
1983	26997	4315	31312	734671	23.46	12355	1400	12355	380284	30.78
1984	26918	4300	31218	772171	24.73	12377	1400	13777	469059	34.05
1985	27049	4195	31244	870147	27.85	12460	1362	13822	509942	36.89
1986	27439	4300	31739	949042	29.88	12436	1300	13736	568720	41.40
1987	27886	4380	32266	1021071	31.65	12138	1320	13458	605930	45.02
1988	28333	4430	32763	1064926	32.50	11863	1320	13183	615582	46.70

	ELHI					COLLEGE				
	ENROLLMENT			SALES ($)		ENROLLMENT		SALES ($)	PER CAPITA SALES ($)	
	PUBLIC	OTHER	TOTAL	TOTAL	PER CAPITA	FTE	TOTAL		FTE	TOTAL
1972	45754	5100	50854	472133	9.28	7255	9215	337003	46.45	36.57
1977	43731	5000	48731	721884	14.81	8397	11268	578433	68.88	51.33
1982	39652	5600	45252	1055789	23.33	9192	12426	1088770	118.45	87.62
1983	39352	5715	45067	1114955	24.74	9166	12465	1156371	126.16	92.77
1984	39295	5700	44995	1241230	27.59	8952	12242	1193114	133.28	97.46
1985	39509	5557	45066	1380089	30.62	8943	12247	1236104	138.22	100.93
1986	39875	5600	45475	1517762	33.38	9060	12501	1315430	145.19	105.23
1987	40024	5700	45724	1627001	35.58	9198	12768	1430308	155.50	112.02
1988	40196	5750	45946	1680508	36.58	9256	12849	1588040	171.57	123.59

(Text continued from page F-1)

on projections of the Census of Manufactures conducted by the U.S. Department of Commerce (See **Table S1**).

Table T2 relates domestic textbook sales (i.e. in the fifty states and the District of Columbia) to enrollment data compiled for these areas by the National Center for Education Statistics. The enrollment figures for public elementary (K-8) and secondary (9-12) schools are actual for the most part, while those for private schools are largely estimated. The college figures are actual. All sales are estimated.

College enrollment data and per capita sales are shown both for full-time equivalent (FTE) students, as well as for all students enrolled in the fifty United States and the District of Columbia. Total college enrollments include resident and extension students in vocational and technical programs, and students in U.S. Service Schools. In the FTE data, part-time enrollments have been converted to full-time equivalency.

Note: All sales data from 1982 to date have been adjusted per the U.S. Census of Manufactures. Please see the discussion included with **Table S1** (page xx). All 1988 college data and 1987 college enrollment data should be regarded as preliminary.

With regard to the College Textbook estimates, the reader is referred to **Table G1** and the accompanying discussion.

For state-by-state enrollment and sales data consult **Tables F5b and F6** for Elhi, and **Tables G7a and G7b** for College. Also see the text with those tables for details regarding the enrollment figures used and the assumptions employed in the development of estimated per capita sales.

SECTION F - SCHOOL (ELHI) PUBLISHERS AND DIVISIONS

Please refer to the GENERAL INSTRUCTIONS AND DEFINITIONS, and the specific instructions and definitions for this divisional survey in QUESTIONNAIRE FORM F (available on request from the AAP New York Office) to insure the correct interpretation of this report. Furthermore, the methodology used in gathering and reporting data, which is discussed in the INTRODUCTION should be reviewed for a full understanding of the tables and text.

SALES DATA

Estimated industry sales of textbooks and materials, both Elhi and College, will be found in **Tables T1 and T3** on pages F-1 and F-2. All other Elhi reports are in this section. College statistics are in **Section G** beginning on page G-1.

Except for the information presented in **Tables T1 and T3**, and the estimated portions of **Tables F5b and F6, all data included in the tables are based on publishers actual reports and are not projected to industry totals.**

20 Elhi school textbook and materials publishers reported total 1988 sales of $1242.0 million to this Survey. Of these sales, $784.0 million were in elementary and $458.0 million were in high school textbooks and materials. Based on AAP's preliminary estimate of the 1988 elhi market, the reporting group appears to represent some 67.9% of this industry segment.

THE DEFINITIONS OF "ELEMENTARY" AND "HIGH SCHOOL" HAVE BEEN CHANGED. The new definitions are:

Elementary: K-6 or K-8 programs and their components or materials chiefly for the K-6 market, as identified by the publisher.

High School: Programs published for the 7-12 or 9-12 market, including those separate titles or series for the 7th, 8th, and 9th grades such as 8th

Continued on page F-4...

TABLE F1 - SALES OF ELEMENTARY AND HIGH SCHOOL TEXTBOOKS

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 15 PUBLISHERS

	1988		1987		PERCENT CHANGE		1988 DOLLARS PER UNIT		YOUR DATA
	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS	$-AVG.	AVG DOLLAR RNGE	
ELEMENTARY									
TEXTBOOKS-HARDBOUND	343320	30860	332986	31837	3.1	-3.1	11.13	6.59 TO 14.35	
TEXTBOOKS-PAPERBOUND	109195	17903	110782	20490	-1.4	-12.6	6.10	2.50 TO 15.33	
WORKBOOKS	174503	40049	157929	40711	10.5	-1.6	4.36	2.81 TO 5.33	
TOTAL TEXT & WORKBOOKS	627018	88812	601697	93038	4.2	-4.5	7.06	3.50 TO 10.69	
HIGH SCHOOL									
TEXTBOOKS-HARDBOUND	271876	18021	262758	18480	3.5	-2.5	15.09	6.59 TO 21.53	
TEXTBOOKS-PAPERBOUND	17546	2873	11566	1497	51.7	91.9	6.11	4.05 TO 9.96	
WORKBOOKS	62214	11340	52469	9788	18.6	15.9	5.49	3.93 TO 17.20	
TOTAL TEXT & WORKBOOKS	351636	32234	326793	29765	7.6	8.3	10.91	3.95 TO 19.82	
ELHI (TOTAL)									
TEXTBOOKS-HARDBOUND	615196	48881	595744	50317	3.3	-2.9	12.59	6.59 TO 16.89	
TEXTBOOKS-PAPERBOUND	126741	20776	122348	21987	3.6	-5.5	6.10	2.75 TO 10.40	
WORKBOOKS	236717	51389	210398	50499	12.5	1.8	4.61	3.15 TO 15.69	
TOTAL TEXT & WORKBOOKS	978654	121046	928490	122803	5.4	-1.4	8.08	3.74 TO 15.93	

TABLE F3 - SALES OF ELEMENTARY TEXTBOOKS AND MATERIALS-BY SUBJECT CATEGORIES

THOUSANDS OF DOLLARS - AS REPORTED BY 16 PUBLISHERS

	1988		1987		
	ALL SALES		ALL SALES		YOUR DATA
	TOTAL	PCT OF TOTAL	TOTAL	PCT OF TOTAL	
READING	309433	35.3	338247	40.0	
LANGUAGE ARTS (TOTAL)	172659	19.7	139662	16.5	
ENGLISH	91924	11.2	71926	9.1	
SPELLING	62185	7.6	49676	6.3	
HANDWRITING	7454	0.9	8182	1.0	
UNSPECIFIED	11095		9878		
SCIENCE	45523	5.2	58286	6.9	
HEALTH	4249	0.5	3707	0.4	
SOCIAL STUDIES	77710	8.9	61059	7.2	
MATHEMATICS	173993	19.9	140690	16.6	
MUSIC	26880	3.1	11354	1.3	
DICTIONARIES	9754	1.1	9326	1.1	
ALL OTHER	55415	6.3	84050	9.9	
TOTAL	875616	100.0	846381	100.0	

Text continued from page F-3...

grade U.S. History, Life, Earth, Physical Science, etc.

For example:

ELEMENTARY	HIGH SCHOOL
K-6 or K-7 Social Studies	8th Grade U.S. 7th grade Civics 7th grade Geography
K-8 Math	Special Math for grades 7 & 8
K-8 English	7-12 English series 7-12 Literature series
K-8 Health	Jr. High Health series
K-8 Science	Life, Earth, Physical or General Science

TABLE F4 - SALES OF HIGH SCHOOL TEXTBOOKS AND MATERIALS-BY SUBJECT CATEGORIES

THOUSANDS OF DOLLARS - AS REPORTED BY 15 PUBLISHERS

	1988		1987		
	ALL SALES		ALL SALES		YOUR DATA
	TOTAL	PCT OF TOTAL	TOTAL	PCT OF TOTAL	
LITERATURE	32899	7.5	36323	8.5	
ENGLISH	43772	10.0	36459	8.5	
SCIENCE & HEALTH	63008	14.4	62146	14.5	
SOCIAL STUDIES	66483	15.2	64620	15.1	
MATHEMATICS	50663	11.6	51587	12.1	
FOREIGN LANGUAGE	38435	8.8	33721	7.9	
VOCATIONAL (TOTAL)	107807	24.7	102638	24.0	
BUSINESS EDUCATION	67877	20.0	65611	20.2	
INDUSTRIAL ARTS	6644	2.0	4444	1.4	
HOME ECONOMICS	9419	2.8	7784	2.4	
UNSPECIFIED	23867		24799		
ALL OTHER	33021	7.6	40224	9.4	
TOTAL	436088	100.0	427718	100.0	

TABLE F5a - SALES OF ELHI TEXTBOOKS AND MATERIALS-BY GEOGRAPHICAL LOCATION

ACTUAL SALES - AS REPORTED BY 15 PUBLISHERS

	ACTUAL SALES OF TEXTBOOKS AND MATERIALS								
	ELHI			ELEMENTARY			HIGH SCHOOL		
	1988	1987	PCT-CHG	1988	1987	PCT-CHG	1988	1987	PCT-CHG
ALABAMA	14318	13518	5.9	10484	8455	24.0	3664	4966	-26.2
ALASKA	2939	1929	52.4	2020	1572	28.5	895	351	155.0
ARIZONA	17286	17570	-1.6	10815	11631	-7.0	6334	5879	7.7
ARKANSAS	10188	9477	7.5	6160	5585	10.3	3964	3850	3.0
CALIFORNIA	121163	91832	31.9	85246	58492	45.7	35119	32435	8.3
COLORADO	11001	11404	-3.5	7231	7662	-5.6	3675	3666	0.2
CONNECTICUT	14827	13981	6.1	9526	8996	5.9	5179	4891	5.9
DELAWARE	3522	3131	12.5	2197	2061	6.6	1307	1059	23.4
DIST OF COLUMBIA	2021	2338	-13.6	1030	1252	-17.7	960	1052	-8.7
FLORIDA	48479	44395	9.2	29651	26512	11.8	18147	17713	2.5
GEORGIA	31926	26219	21.8	19494	17773	9.7	12266	8335	47.2
HAWAII	3719	3651	1.9	2365	2426	-2.5	1343	1216	10.4
IDAHO	4623	3444	34.2	2808	2122	32.3	1733	1304	32.9
ILLINOIS	55501	55414	0.2	35575	39241	-9.3	19523	15864	23.1
INDIANA	24459	31963	-23.5	15088	21424	-29.6	8451	10466	-19.3
IOWA	12881	11963	7.7	8941	8007	11.7	3804	3813	-0.2
KANSAS	14620	12029	21.5	9931	8606	15.4	4633	3357	38.0

Continued on page F-6

TABLE F5a - SALES OF ELHI TEXTBOOKS AND MATERIALS-BY GEOGRAPHICAL LOCATION

Continued from page F-5

	ACTUAL SALES OF TEXTBOOKS AND MATERIALS								
	ELHI			ELEMENTARY			HIGH SCHOOL		
	1988	1987	PCT-CHG	1988	1987	PCT-CHG	1988	1987	PCT-CHG
KENTUCKY	17350	15517	11.8	13516	10062	34.3	3779	5356	-29.4
LOUISIANA	14976	15700	-4.6	10398	9864	5.4	4533	5794	-21.8
MAINE	5008	5159	-2.9	3054	3126	-2.3	1921	2002	-4.0
MARYLAND	15805	15814	-0.1	8384	8719	-3.8	7263	6975	4.1
MASSACHUSETTS	22809	23340	-2.3	14255	14885	-4.2	8395	8338	0.7
MICHIGAN	40588	45109	-10.0	26191	28389	-7.7	14194	16510	-14.0
MINNESOTA	20925	20780	0.7	14654	14270	2.7	6031	6229	-3.2
MISSISSIPPI	8143	10831	-24.8	5533	6804	-18.7	2595	4012	-35.3
MISSOURI	28561	25240	13.2	19045	17435	9.2	9355	7690	21.7
MONTANA	4087	4422	-7.6	2881	2923	-1.4	1183	1477	-19.9
NEBRASKA	6995	7068	-1.0	4394	4364	0.7	2514	2661	-5.5
NEVADA	3846	3416	12.6	2534	2269	11.7	1298	1132	14.7
NEW HAMPSHIRE	4229	3837	10.2	2655	2368	12.1	1536	1446	6.2
NEW JERSEY	47077	41350	13.9	32135	29266	9.8	14721	11936	23.3
NEW MEXICO	7956	8095	-1.7	5100	4881	4.5	2766	3181	-13.0
NEW YORK	74725	71736	4.2	46148	45013	2.5	27734	25983	6.7
NORTH CAROLINA	29905	24382	22.7	17899	14783	21.1	11076	9513	16.4
NORTH DAKOTA	3551	2880	23.3	2336	2008	16.3	1197	859	39.3
OHIO	42441	45242	-6.2	27987	30373	-7.9	13943	14440	-3.4
OKLAHOMA	16162	13111	23.3	11098	8614	28.8	5007	4415	13.4
OREGON	14984	14568	2.9	9977	9655	3.3	4854	4802	1.1
PENNSYLVANIA	50695	47055	7.7	34377	32228	6.7	15958	14580	9.5
RHODE ISLAND	4722	4205	12.3	2982	2678	11.4	1704	1508	13.0
SOUTH CAROLINA	17634	13364	32.0	12350	7907	56.2	5216	4927	5.9
SOUTH DAKOTA	4606	4331	6.3	3349	3146	6.5	1219	1155	5.5
TENNESSEE	15269	16712	-8.6	8135	9638	-15.6	6188	7013	-11.8
TEXAS	74353	80377	-7.5	53454	49734	7.5	20711	30108	-31.2
UTAH	6471	5945	8.8	4117	3976	3.5	2331	1929	20.8
VERMONT	1919	1815	5.7	1123	1077	4.3	776	724	7.2
VIRGINIA	18332	24750	-25.9	11131	15611	-28.7	7002	8949	-21.8
WASHINGTON	15090	12812	17.8	10432	9933	5.5	4521	2782	62.5
WEST VIRGINIA	4364	8485	-48.6	2546	5273	-51.7	1716	3152	-45.6
WISCONSIN	22404	21861	2.5	15426	14670	5.2	6698	6941	-3.5
WYOMING	2661	2476	7.5	1776	1795	-1.1	862	665	29.6
TOTAL DOMESTIC U.S.	1062116	1016041	4.5	699985	659554	6.1	351794	349402	0.7
NON-DOMESTIC SALES									
CANADA	6886	6635	3.8	4563	4637	-1.6	1978	1817	8.9
AUSTRALIA/NEW ZEALAND	376	1776	-78.8	304	1705	-82.2	72	71	1.4
JAPAN	264	393	-32.8	196	293	-33.1	68	100	-32.0
OTHER ASIA	6497	856	659.0	2394	471	408.3	4103	385	965.7
UNITED KINGDOM	877	358	145.0	771	334	130.8	106	24	341.7
CONTINENTAL EUROPE	673	1849	-63.6	504	1742	-71.1	144	89	61.8
AFRICA	178	164	8.5	140	144	-2.8	38	20	90.0
MIDDLE EAST	1626	1004	62.0	1447	885	63.5	179	119	50.4
CARIBBEAN	4655	3082	51.0	2966	1989	49.1	1685	1093	54.2
LATIN AMERICA	6372	7357	-13.2	5007	6271	-20.2	1365	1064	28.3
MILITARY	6648	4061	63.7	5027	3340	50.5	1259	672	87.4
UNSPECIFIED	7604	3428	121.8	5177	2209	134.4	2408	1199	100.8
TOTAL NON-DOMESTIC	42656	30943	37.9	28496	24020	18.5	13405	6653	101.5
TOTAL SALES	1104772	1046984	5.5	728481	683574	6.6	365199	356055	2.6

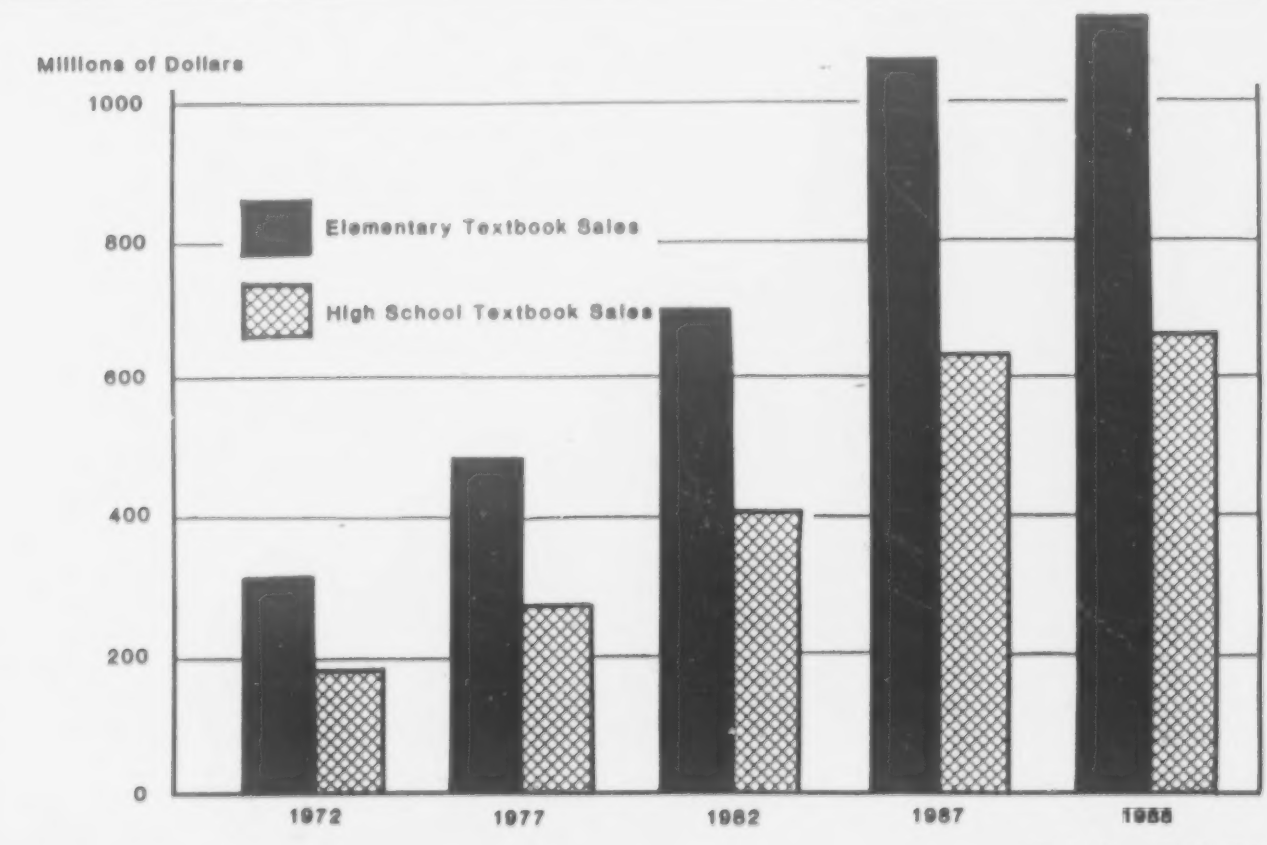
TABLE F5b - ESTIMATED INDUSTRY SALES OF ELHI TEXTBOOKS-BY GEOGRAPHICAL LOCATION

ESTIMATED INDUSTRY SALES (TEXTBOOKS ONLY) - MILLIONS OF DOLLARS

	ELEMENTARY		HIGH SCHOOL		ELHI				
					1988		1987		1966-68
	1988	1987	1988	1987	$	INDEX	$	INDEX	AVERAGE (BASE)
ALABAMA	13283	10808	6309	7871	19592	412	18679	393	4751
ALASKA	2876	2259	1703	850	4579	772	3109	524	593
ARIZONA	17242	18706	10933	10132	28175	767	28838	785	3675
ARKANSAS	10057	9200	4883	4732	14940	470	13932	438	3182
CALIFORNIA	109698	81566	56234	51831	165932	692	133397	556	23989
COLORADO	13271	14185	7336	7309	20607	491	21494	512	4196
CONNECTICUT	16994	16360	9221	8692	26215	397	25052	379	6610
DELAWARE	3009	2847	2588	2094	5597	472	4941	416	1187
DISTRICT OF COLUMBIA	4007	4740	2314	2529	6321	323	7269	372	1956
FLORIDA	47998	43318	33276	32406	81274	750	75724	699	10837

Continued on page F-8

FIGURE F1 - ESTIMATED ELHI TEXTBOOK NET SALES 1972, 1977, 1982, 1987-88



Data from Table T1

TABLE F5b - ESTIMATED INDUSTRY SALES OF ELHI TEXTBOOKS-BY GEOGRAPHICAL LOCATION

Continued from page F-7

	ELEMENTARY		HIGH SCHOOL		ELHI				
	1988	1987	1988	1987	1988		1987		1966-68 AVERAGE
					$	INDEX	$	INDEX	(BASE)
GEORGIA	24532	22564	22020	16908	46552	552	39472	468	8428
HAWAII	5141	5320	2915	2635	8056	505	7955	499	1595
IDAHO	2923	2317	1891	1421	4814	288	3738	224	1672
ILLINOIS	47047	51766	43353	35154	90400	322	86920	310	28033
INDIANA	18891	23707	11258	13221	30149	276	36928	338	10919
IOWA	14903	13462	6559	6560	21462	276	20022	258	7769
KANSAS	16279	14233	7822	5658	24101	447	19891	369	5393
KENTUCKY	23944	20375	9000	11978	32944	497	32353	488	6631
LOUISIANA	11801	11296	8894	10827	20695	231	22123	247	8971
MAINE	4855	5014	3054	3177	7909	338	8191	350	2342
MARYLAND	15167	15908	11516	11044	26683	361	26952	365	7386
MASSACHUSETTS	21954	23123	14313	14189	36267	309	37312	318	11738
MICHIGAN	33875	37031	24841	28833	58716	288	65864	323	20373
MINNESOTA	22309	23135	10455	10781	32764	344	33916	356	9535
MISSISSIPPI	11001	12861	5425	7221	16426	324	20082	396	5072
MISSOURI	28349	26193	15204	12470	43553	381	38663	338	11427
MONTANA	3929	4021	2113	2634	6042	330	6655	363	1833
NEBRASKA	7502	7623	4219	4457	11721	329	12080	340	3558
NEVADA	3817	4362	2114	1840	5931	558	6202	583	1063
NEW HAMPSHIRE	3399	3901	3089	2904	6488	411	6805	431	1580
NEW JERSEY	52477	48223	24642	19950	77119	511	68173	452	15083
NEW MEXICO	9799	9462	4383	5029	14182	509	14491	520	2785
NEW YORK	78766	77535	50005	46782	128771	308	124317	297	41866
NORTH CAROLINA	31849	27944	15518	13308	47367	484	41252	421	9795
NORTH DAKOTA	4055	3519	3229	2480	7284	422	5999	348	1726
OHIO	42683	46762	20548	21233	63231	323	67995	347	19597
OKLAHOMA	14102	11383	8207	7223	22309	415	18606	346	5370
OREGON	12291	12005	6871	6785	19162	514	18790	504	3726
PENNSYLVANIA	55000	52009	28617	26088	83617	355	78097	332	23556
RHODE ISLAND	5405	4897	3144	2778	8549	427	7675	384	2001
SOUTH CAROLINA	15595	11655	8171	7701	23766	347	19356	282	6856
SOUTH DAKOTA	5441	5155	2680	2536	8121	462	7691	438	1756
TENNESSEE	10498	12549	10023	11356	20521	279	23905	325	7356
TEXAS	92257	86592	38788	51625	131045	546	138217	576	24011
UTAH	5854	5706	3340	2760	9194	362	8466	333	2542
VERMONT	1790	1732	1277	1189	3067	297	2921	283	1033
VIRGINIA	16186	20414	13131	16762	29317	313	37176	397	9354
WASHINGTON	14027	13415	9351	7115	23378	385	20530	338	6078
WEST VIRGINIA	6317	8498	4784	6822	11101	296	15320	408	3753
WISCONSIN	27523	26398	12307	12730	39830	390	39128	384	10202
WYOMING	2958	3017	1714	1320	4672	598	4337	555	781
TOTAL DOMESTIC U.S.	1064926	1021071	615582	605930	1680508	404	1627001	392	415521
CANADA	14906	15093	18637	17052	33543	374	32145	359	8965
EUROPE	4328	8625	2939	1809	7267	476	10434	683	1528
ALL OTHER	37504	21170	24995	4894	62499	668	26064	279	9353
TOTAL OUTSIDE U.S.	56738	44888	46571	23755	103309	521	68643	346	19846
ALL SALES	1121664	1065959	662153	629685	1783817	410	1695644	389	435367

TABLE F6 - GEOGRAPHICAL ANALYSIS OF ESTIMATED INDUSTRY SALES OF ELHI TEXTBOOKS

THOUSANDS OF STUDENTS AND DOLLARS

	EST. INDUSTRY SALES ($)		PERCENT OF TOTAL SALES		ENROLLMENT		SALES PER CAPITA ($)		RANK IN PER CAPITA SALES	
	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987
ALABAMA	19592	18679	1.17	1.15	803	801	24.40	23.32	47	48
ALASKA	4579	3109	.27	.19	108	110	42.40	28.26	14	44
ARIZONA	28175	28838	1.68	1.77	624	619	45.15	46.59	12	5
ARKANSAS	14940	13932	.89	.86	478	458	31.26	30.42	40	41
CALIFORNIA	165932	133397	9.87	8.20	5207	5079	31.87	26.26	38	46
COLORADO	20607	21494	1.23	1.32	601	601	34.29	35.76	32	30
CONNECTICUT	26215	25052	1.56	1.54	566	567	46.32	44.18	8	9
DELAWARE	5597	4941	.33	.30	124	123	45.14	40.17	13	18
DISTRICT OF COLUMBIA	6321	7269	.38	.45	114	112	55.45	64.90	4	1
FLORIDA	81274	75724	4.84	4.65	1966	1900	41.34	39.85	16	19
GEORGIA	46552	39472	2.77	2.43	1206	1206	38.60	32.73	24	38
HAWAII	8056	7955	.48	.49	210	209	38.36	38.06	25	24
IDAHO	4814	3738	.29	.23	222	219	21.68	17.07	49	51
ILLINOIS	90400	86920	5.38	5.34	2193	2212	41.22	39.29	18	20
INDIANA	30149	36928	1.79	2.27	1080	1079	27.92	34.22	44	36
IOWA	21462	20022	1.28	1.23	541	544	39.67	36.81	19	26
KANSAS	24101	19891	1.43	1.22	465	460	51.83	43.24	5	10
KENTUCKY	32944	32353	1.96	1.99	719	723	45.82	44.75	10	8
LOUISIANA	20695	22123	1.23	1.36	975	975	21.23	22.69	51	49
MAINE	7909	8191	.47	.50	232	232	34.09	35.31	34	34
MARYLAND	26683	26952	1.59	1.66	812	806	32.86	33.44	35	37
MASSACHUSETTS	36267	37312	2.16	2.29	977	984	37.12	37.92	29	25
MICHIGAN	58716	65864	3.49	4.05	1836	1852	31.98	35.56	37	32
MINNESOTA	32764	33916	1.95	2.08	827	823	39.62	41.21	20	14
MISSISSIPPI	16426	20082	.98	1.23	562	564	29.23	35.61	43	31
MISSOURI	43553	38663	2.59	2.38	954	948	45.65	40.78	11	16
MONTANA	6042	6655	.36	.41	161	161	37.53	41.34	27	13
NEBRASKA	11721	12080	.70	.74	314	313	37.33	38.59	28	21
NEVADA	5931	6202	.35	.38	183	175	32.41	35.44	36	33
NEW HAMPSHIRE	6488	6805	.39	.42	190	190	34.15	35.82	33	28
NEW JERSEY	77119	68173	4.59	4.19	1347	1357	57.25	50.24	2	3
NEW MEXICO	14182	14491	.84	.89	302	307	46.96	47.20	7	4
NEW YORK	128771	124317	7.66	7.64	3252	3260	39.60	38.13	21	23
NORTH CAROLINA	47367	41252	2.82	2.54	1149	1153	41.22	35.78	17	29
NORTH DAKOTA	7284	5999	.43	.37	130	131	56.03	45.79	3	6
OHIO	63231	67995	3.76	4.18	2093	2101	30.21	32.36	41	39
OKLAHOMA	22309	18606	1.33	1.14	603	602	37.00	30.91	30	40
OREGON	19162	18790	1.14	1.15	494	488	38.79	38.50	23	22
PENNSYLVANIA	83617	78097	4.98	4.80	2121	2131	39.42	36.65	22	27
RHODE ISLAND	8549	7675	.51	.47	169	169	50.59	45.41	6	7
SOUTH CAROLINA	23766	19356	1.41	1.19	673	672	35.31	28.80	31	42
SOUTH DAKOTA	8121	7691	.48	.47	139	139	58.42	55.33	1	2
TENNESSEE	20521	23905	1.22	1.47	903	906	22.73	26.39	48	45
TEXAS	131045	138217	7.80	8.50	3443	3409	38.06	40.54	26	17
UTAH	9194	8466	.55	.52	432	429	21.28	19.73	50	50
VERMONT	3067	2921	.18	.18	102	102	30.07	28.64	42	43
VIRGINIA	29317	37176	1.74	2.29	1075	1066	27.27	34.87	46	35
WASHINGTON	23378	20530	1.39	1.26	855	840	27.34	24.44	45	47
WEST VIRGINIA	11101	15320	.66	.94	350	358	31.72	42.79	39	12

Continued on page F-10

TABLE F8 - GEOGRAPHICAL ANALYSIS OF ESTIMATED INDUSTRY SALES OF ELHI TEXTBOOKS

Continued from page F-9

	EST. INDUSTRY SALES ($)		PERCENT OF TOTAL SALES		ENROLLMENT		SALES PER CAPITA ($)		RANK IN PER CAPITA SALES	
	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987
WISCONSIN	39830	39128	2.37	2.41	963	958	41.36	40.84	15	15
WYOMING	4672	4337	.28	.27	101	101	46.26	42.94	9	11
TOTAL DOMESTIC U.S.	1680508	1627001	100.00	100.00	45946	45724	36.58	35.58		

OPERATING DATA

Data are shown by size of publisher (Tables F7 through F14). Table F7 is a summary table offering a composite operating statement of the reporting publishers. The remaining tables detail specific expense areas. All publishers have reported on a calendar year basis.

TABLE F7 - OPERATING DATA OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 15 PUBLISHERS

	ALL PUBLISHERS						YOUR DATA
	1988			1987			
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES		
		%	MID-RANGE		%	MID-RANGE	
GROSS SALES	1048378	103.4	102.2 TO 103.6	1061806	103.8	102.4 TO 103.8	
RETURNS & ALLOWANCES	34858	3.4	2.2 TO 3.6	38634	3.8	2.4 TO 3.8	
NET SALES	1013520	100.0	100.0 TO 100.0	1023172	100.0	100.0 TO 100.0	
COST OF GOODS SOLD	267841	26.4	21.5 TO 29.7	272359	26.6	23.5 TO 29.3	
GROSS MARGIN	745679	73.6	70.3 TO 78.5	750813	73.4	70.7 TO 76.5	
PLANT EXPENSE	73364	7.2	1.9 TO 10.1	58288	5.7	1.8 TO 8.4	
OTHER INCOME (TOTAL)	6204	0.6	0.1 TO 0.5	5544	0.5	0.1 TO 0.6	
GENERAL	3968	0.5	0.1 TO 0.3	4083	0.5	0.1 TO 0.4	
FROM FOREIGN SUBSIDS.	1017	0.1		140	0.0		
UNSPECIFIED	1219			1321			
PUBLISHING & OPERATING EXPENSES							
EDITORIAL	67959	6.7	5.1 TO 7.3	68938	6.7	5.5 TO 8.5	
PRODUCTION	22264	2.2	1.1 TO 3.0	19395	1.9	1.1 TO 2.6	
MARKETING	286543	28.3	23.2 TO 33.5	266540	26.1	23.8 TO 30.3	
FULFILLMENT	70410	6.9	6.2 TO 8.8	68481	6.7	4.9 TO 9.0	
GENERAL & ADMIN.	92372	9.1	7.5 TO 14.2	94437	9.2	7.4 TO 14.2	
TOTAL PUBL. & OPERATING EXPENSE	539548	53.2	46.6 TO 62.7	517791	50.6	47.0 TO 61.9	
INCOME FROM OPERATIONS*	138971	13.7	-1.8 TO 26.8	180278	17.6	5.3 TO 24.0	

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

Continued on page F-12

TABLE F7 - OPERATING DATA OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page F-11

	6 PUBLISHERS WITH 1988 NET SALES BELOW $30 MILLION							
	1988			1987			YOUR DATA	
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	86187	102.1	102.0 TO 102.4	81499	102.1	101.6 TO 102.4		
RETURNS & ALLOWANCES	1776	2.1	2.0 TO 2.4	1644	2.1	1.6 TO 2.4		
NET SALES	84411	100.0	100.0 TO 100.0	79855	100.0	100.0 TO 100.0		
COST OF GOODS SOLD	25430	30.1	20.6 TO 43.6	26480	33.2	21.8 TO 46.7		
GROSS MARGIN	58981	69.9	56.4 TO 79.4	53375	66.8	53.3 TO 78.2		
PLANT EXPENSE	3851	4.6	1.4 TO 8.8	6033	7.6	1.3 TO 19.3		
OTHER INCOME (TOTAL)	1249	1.5	0.0 TO 4.3	1496	1.9	0.2 TO 4.6		
GENERAL	30	1.5	-0.0 TO 0.3	175	1.9	0.2 TO 0.9		
FROM FOREIGN SUBSIDS.	0	0.0		0	0.0			
UNSPECIFIED	1219			1321				
PUBLISHING & OPERATING EXPENSES								
EDITORIAL	5101	6.0	4.9 TO 8.7	7713	9.7	5.9 TO 13.0		
PRODUCTION	862	1.0	1.0 TO 2.3	786	1.0	0.8 TO 2.5		
MARKETING	24705	29.3	21.3 TO 35.3	25745	32.2	22.0 TO 42.9		
FULFILLMENT	5491	6.5	4.3 TO 8.2	5697	7.1	4.2 TO 9.9		
GENERAL & ADMIN.	9966	11.8	7.6 TO 16.3	9989	12.5	8.3 TO 14.5		
TOTAL PUBL. & OPERATING EXPENSE	46125	54.6	44.6 TO 68.4	49930	62.5	45.3 TO 75.8		
INCOME FROM OPERATIONS*	10254	12.1	-38.2 TO 34.6	-1092	-1.4	-44.7 TO 30.2		

* Please see corresponding note on page F-11.

Continued on page F-13

TABLE F7 - OPERATING DATA OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page F-12

	5 PUBLISHERS WITH 1988 NET SALES $30 TO $80 MILLION							
	1988			1987			YOUR DATA	
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	307035	103.6	101.8 TO 105.7	314021	104.7	102.1 TO 108.0		
RETURNS & ALLOWANCES	10771	3.6	1.8 TO 5.7	14092	4.7	2.1 TO 8.0		
NET SALES	296264	100.0	100.0 TO 100.0	299929	100.0	100.0 TO 100.0		
COST OF GOODS SOLD	86097	29.1	26.4 TO 30.7	89139	29.7	26.1 TO 33.8		
GROSS MARGIN	210167	70.9	69.3 TO 73.6	210790	70.3	66.2 TO 73.9		
PLANT EXPENSE	27935	9.4	4.6 TO 15.4	17900	6.0	3.2 TO 8.3		
OTHER INCOME (TOTAL)	4321	1.5	0.1 TO 3.5	3651	1.2	0.2 TO 2.5		
GENERAL	3421	1.2	0.1 TO 2.7	3651	1.2	0.2 TO 2.5		
FROM FOREIGN SUBSIDS.	900	0.3		0	0.0			
UNSPECIFIED	0			0				
PUBLISHING & OPERATING EXPENSES								
EDITORIAL	19354	6.5	4.6 TO 10.5	15764	5.3	4.2 TO 6.3		
PRODUCTION	6387	2.2	1.1 TO 3.4	5419	1.8	1.2 TO 2.4		
MARKETING	82753	27.9	22.8 TO 34.1	72231	24.1	21.1 TO 26.3		
FULFILLMENT	26509	8.9	7.7 TO 10.5	24522	8.2	6.2 TO 10.1		
GENERAL & ADMIN.	36612	12.4	9.1 TO 17.3	40461	13.5	9.7 TO 17.5		
TOTAL PUBL. & OPERATING EXPENSE	171615	57.9	45.8 TO 74.6	158397	52.8	46.4 TO 60.2		
INCOME FROM OPERATIONS*	14938	5.0	-21.8 TO 19.1	38144	12.7	4.9 TO 21.9		

* Please see corresponding note on page F-11.

Continued on page F-14

TABLE F7 - OPERATING DATA OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page F-13

	4 PUBLISHERS WITH 1988 NET SALES ABOVE $80 MILLION						
	1988			1987			YOUR DATA
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES		
		%	MID-RANGE		%	MID-RANGE	
GROSS SALES	655156	103.5	103.1 TO 103.8	666286	103.6	102.8 TO 104.2	
RETURNS & ALLOWANCES	22311	3.5	3.1 TO 3.8	22898	3.6	2.8 TO 4.2	
NET SALES	632845	100.0	100.0 TO 100.0	643388	100.0	100.0 TO 100.0	
COST OF GOODS SOLD	156314	24.7	22.2 TO 27.1	156740	24.4	22.1 TO 26.7	
GROSS MARGIN	476531	75.3	72.9 TO 77.8	486648	75.6	73.3 TO 77.9	
PLANT EXPENSE	41578	6.6	2.1 TO 12.3	34355	5.3	1.6 TO 10.0	
OTHER INCOME (TOTAL)	634	0.1	0.0 TO 0.2	397	0.1	0.0 TO 0.2	
GENERAL	517	0.1	0.0 TO 0.2	257	0.0	0.0 TO 0.2	
FROM FOREIGN SUBSIDS.	117	0.0		140	0.0		
UNSPECIFIED	0			0			
PUBLISHING & OPERATING EXPENSES							
EDITORIAL	43504	6.9	5.5 TO 7.7	45461	7.1	6.0 TO 8.2	
PRODUCTION	15015	2.4	1.5 TO 3.2	13190	2.1	0.7 TO 3.5	
MARKETING	179085	28.3	23.6 TO 33.6	168564	26.2	22.2 TO 30.2	
FULFILLMENT	38410	6.1	5.5 TO 6.5	38262	5.9	5.2 TO 6.8	
GENERAL & ADMIN.	45794	7.2	6.0 TO 8.5	43987	6.8	6.1 TO 7.3	
TOTAL PUBL. & OPERATING EXPENSE	321808	50.9	46.1 TO 56.1	309464	48.1	45.6 TO 51.9	
INCOME FROM OPERATIONS*	113779	18.0	8.1 TO 24.1	143226	22.3	13.1 TO 25.0	

* Please see corresponding note on page F-11.

TABLE F8 - COST OF GOODS SOLD OF ELHI PUBLISHERS-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 15 PUBLISHERS
WITH TOTAL NET SALES OF $1,013,520,000

	ALL PUBLISHERS		6 PUBLISHERS NET SALES UP TO $50 MILLION		5 PUBLISHERS NET SALES $50-$80 MILLION		4 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	
PAPER, PRINTING AND BINDING (TOTAL)	218869	22.5	21816	25.8	68071	26.8	128982	20.4	
P,P&B COSTS OF PRODUCTS SOLD	192963	20.2	16469	23.0	61507	24.2	114988	18.2	
INBOUND FREIGHT	6144	0.6	360	0.5	1684	0.7	4100	0.6	
INVENTORY WRITEDOWN PROVISIONS	16454	1.7	1679	2.4	4880	1.9	9894	1.6	
UNSPECIFIED	3308		3308		0		0		
ROYALTIES PAID	50266	5.2	4909	5.8	18026	7.1	27332	4.3	
TOTAL COST OF GOODS SOLD	269135	27.7	26725	31.7	86097	33.9	156314	24.7	

TABLE F9 - PLANT EXPENSE OF ELHI PUBLISHERS-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 14 PUBLISHERS
WITH TOTAL NET SALES OF $985,667,000

	ALL PUBLISHERS		5 PUBLISHERS NET SALES UP TO $30 MILLION		5 PUBLISHERS NET SALES $30-$80 MILLION		4 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	
TOTAL PLANT EXPENSE	75787	7.7	3537	6.3	27935	9.4	44315	7.0	

Publishers were questioned about their accounting for plant costs. 14 publishers replied:

Amortized over 3 years - 4 publishers
Amortized over 4 years - 1 publisher
Amortized over 5 years - 4 publishers
Amortized over 6 years - 1 publisher
Amortized over 5-7 years - 1 publisher
Amortized separately, parallel to sales of the first printing - 1 publisher
Written into inventory with first printing - 1 publisher
Over $100,000 capitalized; all else expensed as incurred - 1 publisher.

TABLE F10 - EDITORIAL EXPENSE OF ELHI PUBLISHERS-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS
WITH TOTAL NET SALES OF $813,458,000

	ALL PUBLISHERS		5 PUBLISHERS NET SALES UP TO $30 MILLION		5 PUBLISHERS NET SALES $30-$80 MILLION		3 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	
SALARIES	28412	3.5	1963	2.5	10422	3.5	16026	3.7	
BENEFITS	5983	0.7	416	0.5	2133	0.7	3434	0.8	
OUTSIDE EDITORIAL EXP.	11252	1.4	1084	1.4	4056	1.4	6112	1.4	
TRAVEL & ENTERTAINMENT	2045	0.3	219	0.3	756	0.3	1070	0.2	
OTHER	4194	0.5	922	1.2	1986	0.7	1286	0.3	
TOTAL EDITORIAL EXPENSE	51885	6.4	4604	5.8	19354	6.5	27927	6.4	

TABLE F11 - PRODUCTION EXPENSE OF ELHI PUBLISHERS-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 12 PUBLISHERS
WITH TOTAL NET SALES OF $791,605,000

	ALL PUBLISHERS		4 PUBLISHERS NET SALES UP TO $30 MILLION		5 PUBLISHERS NET SALES $30-$80 MILLION		3 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	
SALARIES	10108	1.3	469	0.8	3786	1.3	5853	1.3	
BENEFITS	2174	0.3	109	0.2	735	0.2	1329	0.3	
OUTSIDE PRODUCTION EXP.	5577	0.7	0	0.0	1400	0.5	4176	1.0	
OTHER	2092	0.3	187	0.3	466	0.2	1438	0.3	
TOTAL PRODUCTION EXPENSE	19951	2.5	766	1.3	6387	2.2	12797	2.9	

TABLE F11 - MARKETING EXPENSE OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 14 PUBLISHERS
WITH TOTAL NET SALES OF $818,748,000

	ALL PUBLISHERS		6 PUBLISHERS NET SALES UP TO $50 MILLION		5 PUBLISHERS NET SALES $50-$80 MILLION		5 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	
SELLING EXPENSE									
ALL SALARIES AND BENEFITS	59982	7.3	7415	8.8	22918	7.7	29652	6.8	
ALL BONUSES AND COMMISSIONS	14654	1.8	3240	3.8	4239	1.4	7176	1.6	
ALL TRAVEL AND ENTERTAINMENT	24831	3.0	3608	4.3	9327	3.1	11897	2.7	
OTHER	19461	2.4	3314	3.9	7428	2.5	8719	2.0	
TOTAL SELLING EXPENSE	118929	14.6	17574	20.8	43911	14.8	57444	13.2	
PROMOTION EXPENSE									
SALARIES AND BENEFITS	11606	1.4	979	1.2	4635	1.6	5992	1.4	
SPACE ADVERTISING	3094	0.4	489	0.6	1507	0.5	1098	0.3	
CATALOGS & BROCHURES	13436	1.6	2315	2.7	4679	1.6	6441	1.5	
FREE COPIES (TOTAL)	63284	7.7	5208	6.2	21962	7.4	36114	8.3	
COST OF FREE COPIES	44433	6.6	4684	5.8	8762	5.9	30988	7.1	
TRANSPORTATION	7623	1.1	282	0.4	2215	1.5	5126	1.2	
UNSPECIFIED	11227		242		10985		0		
OTHER PROMOTION INCL. EXHIBITS	15166	1.9	2341	2.8	6059	2.0	6766	1.5	
TOTAL PROMOTION EXPENSE	106585	13.0	11332	13.4	38843	13.1	56410	12.9	
TOTAL MARKETING EXPENSE	225514	27.6	28906	34.2	82754	27.9	113854	26.1	

TABLE F13 - FULFILLMENT EXPENSE OF ELHI PUBLISHERS-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 14 PUBLISHERS
WITH TOTAL NET SALES OF $818,748,000

	ALL PUBLISHERS		6 PUBLISHERS NET SALES UP TO $50 MILLION		5 PUBLISHERS NET SALES $50-$80 MILLION		5 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	
INTERNAL EXPENSE	51672	6.3	4998	5.9	24513	8.3	22161	5.1	
EXTERNAL EXPENSE	8503	1.0	482	0.6	1996	0.7	6025	1.4	
TOTAL FULFILLMENT EXP.	60175	7.3	5480	6.5	26509	8.9	28186	6.4	

TABLE F14 - GENERAL AND ADMINISTRATIVE EXPENSE OF ELHI PUBLISHERS-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS
WITH TOTAL NET SALES OF $813,458,000

	ALL PUBLISHERS		5 PUBLISHERS NET SALES UP TO $30 MILLION		5 PUBLISHERS NET SALES $30-$80 MILLION		3 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	
DIRECT	30191	3.7	5318	6.7	13582	4.6	11291	2.6	
ALLOCATED	45404	5.6	5281	6.7	23029	7.8	17094	3.9	
TOTAL G & A EXPENSE	75595	9.3	10598	13.4	36611	12.4	28385	6.5	

SECTION G - COLLEGE PUBLISHERS AND DIVISIONS

Please refer to the GENERAL INSTRUCTIONS AND DEFINITIONS, and the specific instructions and definitions for this divisional survey in QUESTIONNAIRE FORM G (available on request from the AAP New York Office) to insure the correct interpretation of this report. Furthermore, the methodology used in gathering and reporting data, which is discussed in the INTRODUCTION should be reviewed for a full understanding of the tables and text.

SALES DATA

In **Table G2** twenty-five college textbook and materials publishers reported total 1988 net sales of $1142.7 million to this Survey. As the college publishing industry enjoys total estimated book sales of $1716.8 million, as reported in **Table S1**, and audiovisual and related materials sales of $15.0 million for a combined estimated sales total of $1731.8 million, the reporting group appears to represent some 66.0% of this industry segment. However, the reader is referred to the discussion accompanying **Table G1**, and to the Higher Education Division footnote following **Table S1**.

TABLE G1 - ESTIMATED INDUSTRY SALES OF COLLEGE TEXTBOOKS

The AAP Higher Education Division Statistics Committee has felt, for a number of years, that the estimates based on the U.S. Department of Commerce Census of Manufactures (**Table S1**) overstate the college textbook market, and they have annually conducted their own independent survey. This year the HED survey includes responses from 51 publishers which the Committee feels represent the majority of college textbook publishers.

The results of this survey are shown in **Table G1**, and the list of participating publishers appears on page G-2.

NET SALES - MILLIONS OF DOLLARS

	1988	1987	PERCENT CHANGE
TABLE S-1 ESTIMATE	1716.8	1549.5	10.8
HED SURVEY (ACTUAL)	1249.5	1128.8	10.7
HED PERCENT OF S-1	72.8	72.8	

Continued on page G-2

TABLE G1 - ESTIMATED INDUSTRY SALES OF COLLEGE TEXTBOOKS

Continued from page G-1

Publishers participating in the special AAP Higher Education Statistics Committee Survey (**Table G1**):

Addison-Wesley Publishing
Allyn & Bacon
Anderson Publishing Co.

William C. Brown Publs.
Burgess International Group

Congressional Quarterly
Copley Publishing Group

Harlan Davidson
Davis Publications
Delmar Publishers
Dushkin Publishing Group

EMC Corporation

W.H. Freeman & Co.

Gorsuch Scarisbrick Publ.

Hackett Publishing Co.
Harcourt Brace Jovanovich
Harper & Row, Publishers
Health Administration Press
D.C. Heath & Co.
Heinemann Inc.
Houghton-Mifflin
HRD Press

Richard D. Irwin, Inc.

Jamestown Publishers
Jones & Bartlett Publs.

William Kaufmann

Longman Financial Services Publ.

Macmillan Publishing Co.
Mayfield Publishing
McGraw-Hill Book Co.
Merriam-Webster
Merrill Publishing Co.
Mitchell Publishing
C.V. Mosby Co.

W.W. Norton

Oxford University Press

Pacific Books, Publishers
Prentice-Hall/Simon & Schuster
PRO-ED Inc.

Random House

St. Martin's Press
Science Research Associates

Scientific Press
Scott Foresman/Little Brown
Sinauer Associates
South-Western Publishing

University Press of America

Wadsworth Inc.
Westview Press
John Wiley & Sons
Worth Publishers

TABLE G2 - SALES OF COLLEGE TEXTBOOKS AND MATERIALS

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 25 PUBLISHERS

	GROSS SALES								
	1988		1987		PERCENT CHANGE		YOUR DATA		
	$	UNITS	$	UNITS	$	UNITS			
BOOKS, TESTS, REPRINTS, PAMPHLETS AND MANUALS	1403982	82665	1258865	74756	11.5	10.6			
AV AND OTHER MEDIA	4493	377	4506	392	-0.3	-3.8			
TOTAL	1408475	83042	1263371	75148	11.5	10.5			

Continued on page G-3

TABLE G2 - SALES OF COLLEGE TEXTBOOKS AND MATERIALS

Continued from page G-2

	RETURNS								
	1988		1987		PERCENT CHANGE		YOUR DATA		
	$	UNITS	$	UNITS	$	UNITS			
BOOKS, TESTS, REPRINTS, PAMPHLETS AND MANUALS	265024	18579	226697	16569	16.9	12.1			
AV AND OTHER MEDIA	746	45	659	39	13.2	15.4			
TOTAL	265770	18624	227356	16608	16.9	12.1			

	NET SALES								
	1988		1987		PERCENT CHANGE		YOUR DATA		
	$	UNITS	$	UNITS	$	UNITS			
BOOKS, TESTS, REPRINTS, PAMPHLETS AND MANUALS	1138958	64086	1032168	58187	10.3	10.1			
AV AND OTHER MEDIA	3747	332	3847	353	-2.6	-5.9			
TOTAL	1142705	64418	1036015	58540	10.3	10.0			

	1988 PERCENT RETURNS TO GROSS								
	DOLLARS		UNITS		YOUR DATA				
	AVERAGE	MID-RANGE	AVERAGE	MID-RANGE					
BOOKS, TESTS, REPRINTS, PAMPHLETS AND MANUALS	18.9	16.5 TO 19.9	22.5	15.5 TO 19.6					
AV AND OTHER MEDIA	16.6	17.1 TO 97.5	11.9	11.2 TO 81.2					
TOTAL	18.9	16.5 TO 19.9	22.4	15.5 TO 19.6					

	1987 PERCENT RETURNS TO GROSS								
	DOLLARS		UNITS		YOUR DATA				
	AVERAGE	MID-RANGE	AVERAGE	MID-RANGE					
BOOKS, TESTS, REPRINTS, PAMPHLETS AND MANUALS	18.0	14.9 TO 19.7	22.2	14.8 TO 20.2					
AV AND OTHER MEDIA	14.6	15.4 TO 92.0	9.9	8.4 TO 81.2					
TOTAL	18.0	14.9 TO 19.7	22.1	14.8 TO 20.2					

TABLE G3 - NET SALES OF COLLEGE TEXTBOOKS AND MATERIALS-BY PRODUCT CATEGORY

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 25 PUBLISHERS

	1988		1987		1986		YOUR DATA			
	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS				
TEXTBOOKS	1046558	59026	960144	53743	871381	51388				
AUDIOVISUAL & OTHER MEDIA	3756	330	3676	335	3628	281				
TOTAL BOOKS & MATERIALS	1050314	59356	963820	54078	875009	51669				

	1985		PERCENT CHANGE 88/87		PERCENT CHANGE 88/85		YOUR DATA			
	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS				
TEXTBOOKS	827293	52429	9.0	9.8	26.5	12.6				
AUDIOVISUAL & OTHER MEDIA	2889	276	2.2	-1.5	30.0	19.6				
TOTAL BOOKS & MATERIALS	830182	52705	9.0	9.8	26.5	12.6				

	1988 DOLLARS PER UNIT		1987 DOLLARS PER UNIT	
	$-AVG.	AVG $ MID-RANGE	$-AVG.	AVG $ MID-RANGE
TEXTBOOKS	17.73	13.41 TO 21.05	17.87	12.79 TO 21.24
AUDIOVISUAL & OTHER MEDIA	11.38	13.21 TO 26.00	10.97	12.39 TO 30.75
TOTAL BOOKS & MATERIALS	17.70	13.33 TO 20.98	17.82	12.82 TO 21.27

	1986 DOLLARS PER UNIT		1985 DOLLARS PER UNIT	
	$-AVG.	AVG $ MID-RANGE	$-AVG.	AVG $ MID-RANGE
TEXTBOOKS	16.96	12.63 TO 19.79	15.78	11.37 TO 18.56
AUDIOVISUAL & OTHER MEDIA	12.91	12.95 TO 25.68	10.47	10.91 TO 24.38
TOTAL BOOKS & MATERIALS	16.93	12.66 TO 19.72	15.75	11.39 TO 18.56

Table G4 - Estimated Domestic Sales of Books and Materials in the College Market, has been discontinued.

TABLE G5 - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS AND MATERIALS-BY MARKET CATEGORY

THOUSANDS OF DOLLARS - AS REPORTED BY 19 PUBLISHERS

	1987		1988			YOUR DATA		
	$	PCT OF TOTAL	$	PCT CHG FROM 87	PCT OF TOTAL			
DOMESTIC SALES								
BOOKSTORES (TOTAL)	541561	71.4	599234	10.6	70.0			
COLLEGE	516378	68.2	573339	11.0	67.1			
OTHER	24343	3.2	24773	1.8	2.9			
UNSPECIFIED	840		1122					
WHOLESALERS & JOBBERS	24750	3.3	27321	10.4	3.2			
LIBRARIES AND INSTITUTIONS (TOTAL)	113536	15.0	120330	6.0	14.1			
COLLEGES & UNIV.	76740	10.1	80304	4.6	9.4			
SCHOOLS	34921	4.6	38220	9.4	4.5			
PUBLIC LIBRARIES	1266	0.2	1157	-8.6	0.1			
OTHER	535	0.1	597	11.6	0.1			
UNSPECIFIED	74	0.0	52	-29.7	0.0			
GOVERNMENT	1253	0.2	1396	11.4	0.2			
INDUSTRY	7170	0.9	7971	11.2	0.9			
DIRECT TO CONSUMER	9011	1.2	7849	-12.9	0.9			
OTHER	8666	1.1	9285	7.2	1.1			
TOTAL DOMESTIC SALES	705947	93.0	773386	9.6	90.4			
FOREIGN SALES	52888	7.0	82117	55.3	9.6			
ALL SALES	758835	100.0	855504	12.7	100.0			

TABLE G6a - NET SALES OF NEW AND REVISED AND BACKLIST COLLEGE TEXTBOOKS

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 14 PUBLISHERS

	1988		1987		PCT CHG 88/87		YOUR DATA			
	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS				
TEXTBOOKS (TOTAL)	574404	30647	547629	30668	4.9	-0.1				
NEW & REVISED	211239	10082	210729	10912	0.2	-7.6				
BACKLIST	363165	20565	336900	19755	7.8	4.1				

	1986		1985		PCT CHG 88/85		YOUR DATA			
	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS				
TEXTBOOKS (TOTAL)	495886	30029	478669	30012	20.0	2.1				
NEW & REVISED	171296	9813	162640	9455	29.9	6.6				
BACKLIST	324590	20215	316029	20557	14.9	0.0				

Please see **Table G6a** note on page G-6.

TABLE G6b - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS AND MATERIALS -BY SUBJECT CATEGORIES

THOUSANDS OF DOLLARS - AS REPORTED BY 23 PUBLISHERS

	1988		1987		1986	
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL
ACCOUNTING	86130	8.3	82665	8.7	72996	8.4
ANTHROPOLOGY	3534	0.3	3055	0.3	2734	0.3
ART & ARCHITECTURE	21458	2.1	18374	1.9	11736	1.3
ASTRONOMY	1138	0.1	990	0.1	986	0.1
BIOLOGY	48541	4.7	38479	4.0	33278	3.8
BUSINESS ADMINISTRATION	97607	9.4	88674	9.3	88738	10.2
MANAGEMENT	36389	3.6	31858	3.4	27368	3.3
MARKETING	19702	2.0	18684	2.0	16157	1.9
FINANCE	14629	1.5	14352	1.5	12073	1.4
OTHER	23547	2.3	21230	2.3	29886	3.6
UNSPECIFIED	3340		2549		3254	
BUSINESS EDUCATION	48286	4.6	46015	4.8	44299	5.1
CAREER EDUCATION & OCCUPATIONAL EDUC.	58606	5.6	57933	6.1	54557	6.3
CHEMISTRY (INCL. BIOCH.)	29837	2.9	26080	2.7	24083	2.8
COMPUTERS & COMPUTING	73124	7.0	62987	6.6	66333	7.6
ECONOMICS	33923	3.3	32275	3.4	29692	3.4
EDUCATION	37154	3.6	30439	3.2	29421	3.4
ENGINEERING	51729	5.0	46081	4.8	53565	6.2
ELECTRICAL	17987	1.8	17427	1.8	20036	2.4
CIVIL	5454	0.5	4607	0.5	4709	0.6
MECHANICAL	5981	0.6	8084	0.8	6251	0.8
OTHER	20890	2.1	15964	1.7	19954	2.4
UNSPECIFIED	1417		-1		2615	
ENGLISH LANGUAGE & LIT.	65084	6.3	58460	6.1	55570	6.4
ENGLISH-AS-A-SECOND LANGUAGE	14634	1.4	11087	1.2	2371	0.3
FOREIGN LANGUAGES (OTHER THAN FRENCH, GERMAN AND SPANISH)	4249	0.4	4470	0.5	2039	0.2
FRENCH	3499	0.3	3366	0.4	3984	0.5
GEOLOGY & EARTH SCIENCE	9817	0.9	10804	1.1	7245	0.8
GEOGRAPHY	5800	0.6	4690	0.5	4085	0.5
GERMAN	2458	0.2	1691	0.2	1811	0.2
HEALTH EDUCATION & PHYSICAL EDUCATION	15303	1.5	13241	1.4	14647	1.7
HISTORY	26449	2.5	25765	2.7	20583	2.4
HOME ECONOMICS	4076	0.4	3499	0.4	2648	0.3

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In **Table G6a** limiting themselves to **textbooks only**, and **including** export sales, publishers were asked to report their new and revised title sales (i.e. of titles copyrighted in the reporting year), and backlist sales separately.

Domestic Net Sales by **Subject Categories** are analyzed in **Tables G6b and G6c. Table G6b** includes **dollar data only,** but it reports the sale of **all** books and materials. **Table G6c** includes dollar and **unit** data, but is confined to **textbooks only,** excluding workbooks, tests, reprints, pamphlets, manuals and non-print media.

TABLE G6b - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS AND MATERIALS -BY SUBJECT CATEGORIES

Continued from page G-6

	1988		1987		1986	
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL
MATHEMATICS	103471	10.0	102348	10.7	92438	10.6
MATHEMATICS	79685	8.1	81466	8.9	59548	9.0
STATISTICS	14273	1.5	15623	1.7	9888	1.5
OTHER	3823	0.4	1295	0.1	1057	0.2
UNSPECIFIED	5690		3964		21945	
MUSIC	9355	0.9	8116	0.9	7137	0.8
NURSING & ALLIED HEALTH	18704	1.8	17288	1.8	14870	1.7
PHYSICS & PHYSICAL SCIENCE SURVEY	15497	1.5	16336	1.7	14982	1.7
POLITICAL SCIENCE, PUBLIC SERVICE & ADMINISTRATION	22691	2.2	23754	2.5	21308	2.4
PSYCHOLOGY	51405	4.9	44240	4.6	38670	4.4
RELIGION & PHILOSOPHY	10313	1.0	9600	1.0	7775	0.9
SOCIOLOGY	19077	1.8	19641	2.1	14608	1.7
SPANISH	7796	0.7	6297	0.7	5976	0.7
SPEECH, DRAMA & MASS MEDIA	22248	2.1	19908	2.1	17237	2.0
MISCELLANEOUS	16854	1.6	15432	1.6	18253	0.9
TOTAL	1039847	100.0	954080	100.0	870655	100.0

TABLE G6c - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS-BY SUBJECT CATEGORIES

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 20 PUBLISHERS

	1988					1987				
	DOLLARS		UNITS		AVERAGE DOLLARS	DOLLARS		UNITS		AVERAGE DOLLARS
	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT
ACCOUNTING	63432	7.1	2912	6.0	21.78	66628	8.0	3409	7.8	19.54
ANTHROPOLOGY	3067	0.3	174	0.4	17.63	2601	0.3	154	0.4	16.89
ART & ARCHITECTURE	18513	2.1	994	2.1	18.62	15966	1.9	706	1.6	22.61
BIOLOGY	38663	4.3	1675	3.5	23.08	29390	3.5	1284	2.9	22.89
BUSINESS ADMINISTRATION	89861	10.0	3954	8.2	22.73	84167	10.1	3659	8.3	23.00
MANAGEMENT	33473	4.0	1511	3.4	22.15	29506	3.9	1314	3.3	22.46
MARKETING	18713	2.2	738	1.6	25.36	17953	2.4	670	1.7	26.80
FINANCE	13999	1.7	607	1.3	23.06	13333	1.7	549	1.4	24.29
OTHER	17873	2.1	844	1.9	21.18	16186	2.1	794	2.0	20.39
UNSPECIFIED	5803		254		22.85	7189		333		21.59
BUSINESS EDUCATION	34329	3.8	2178	4.5	15.76	34562	4.1	2192	5.0	15.77
CAREER EDUCATION & OCCUPATIONAL EDUC.	61518	6.8	3371	7.0	18.25	60899	7.3	3175	7.2	19.18
CHEMISTRY (INCL. BIOCH.)	22931	2.5	981	2.0	23.38	22555	2.7	952	2.2	23.69

Continued on page G-8

TABLE G6c - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS-BY SUBJECT CATEGORIES

Continued from page G-7

	1988					1987				
	DOLLARS		UNITS		AVERAGE DOLLARS	DOLLARS		UNITS		AVERAGE DOLLARS
	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT
COMPUTERS & COMPUTING	70925	7.9	3504	7.3	20.24	61201	7.3	2996	6.8	20.43
ECONOMICS	23071	2.6	1120	2.3	20.60	23716	2.8	1135	2.6	20.90
EDUCATION	33482	3.7	2307	4.8	14.51	26315	3.2	1289	2.9	20.42
ENGINEERING	47455	5.3	1515	3.1	31.32	45712	5.5	1494	3.4	30.60
ELECTRICAL	17420	2.2	601	1.3	28.99	16086	2.2	571	1.4	28.17
CIVIL	5360	0.7	169	0.4	31.72	4606	0.6	149	0.4	30.91
MECHANICAL	6132	0.8	188	0.4	32.62	7098	1.0	217	0.5	32.71
OTHER	13008	1.6	462	1.0	28.16	11909	1.6	435	1.1	27.38
UNSPECIFIED	5535		95		58.26	6013		122		49.29
ENGLISH LANGUAGE & LIT.	50770	5.6	4117	8.5	12.33	45282	5.4	3533	8.0	12.82
ENGLISH-AS-A-SECOND LANGUAGE	14192	1.6	2076	4.3	6.84	10695	1.3	1744	4.0	6.13
FOREIGN LANGUAGES (OTHER THAN FRENCH, GERMAN AND SPANISH)	4012	0.4	224	0.5	17.91	4241	0.5	262	0.6	16.19
FRENCH	2444	0.3	147	0.3	16.63	2427	0.3	162	0.4	14.98
GEOLOGY & EARTH SCIENCE	8580	1.0	395	0.8	21.72	9499	1.1	434	1.0	21.89
GEOGRAPHY	5645	0.6	207	0.4	27.27	4543	0.5	181	0.4	25.10
GERMAN	1685	0.2	88	0.2	19.15	1094	0.1	61	0.1	17.93
HEALTH EDUCATION & PHYSICAL EDUCATION	15003	1.7	832	1.7	18.03	11225	1.3	684	1.6	16.41
HISTORY	22496	2.5	1377	2.9	16.34	23546	2.8	1448	3.3	16.26
HOME ECONOMICS	3762	0.4	162	0.3	23.22	3341	0.4	144	0.3	23.20
MATHEMATICS	92399	10.3	4068	8.4	22.71	90572	10.9	3921	8.9	23.10
MATHEMATICS	72202	8.3	3276	7.0	22.04	71976	9.3	3139	7.7	22.93
STATISTICS	13050	1.5	504	1.1	25.89	9346	1.2	379	0.9	24.66
OTHER	3752	0.4	150	0.3	25.01	2362	0.3	129	0.3	18.31
UNSPECIFIED	3395		138		24.60	6888		274		25.14
MUSIC	8821	1.0	455	0.9	19.39	7665	0.9	403	0.9	19.02
NURSING & ALLIED HEALTH	16470	1.8	999	2.1	16.49	16598	2.0	1346	3.1	12.33
PHYSICS & PHYSICAL SCIENCE SURVEY	14786	1.6	575	1.2	25.71	12385	1.5	584	1.3	21.21
POLITICAL SCIENCE, PUBLIC SERVICE & ADMINISTRATION	20622	2.3	1154	2.4	17.87	21557	2.6	1195	2.7	18.04
PSYCHOLOGY	47611	5.3	2295	4.8	20.75	40980	4.9	1972	4.5	20.78
RELIGION & PHILOSOPHY	9303	1.0	548	1.1	16.98	8716	1.0	602	1.4	14.48
SOCIOLOGY	15024	1.7	914	1.9	16.44	15033	1.8	736	1.7	20.43
SPANISH	5936	0.7	327	0.7	18.15	4785	0.6	300	0.7	15.95
SPEECH, DRAMA & MASS MEDIA	21858	2.4	1304	2.7	16.76	19616	2.4	1217	2.8	16.12
MISCELLANEOUS	10973	1.2	1255	2.6	18.74	16887	0.8	610	1.4	11.29
TOTAL	899639	100.0	48204	100.0	18.66	834399	100.0	43984	100.0	18.97

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TABLE G6c - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS-BY SUBJECT CATEGORIES

Continued from page G-8

	1986					1985				
	DOLLARS		UNITS		AVERAGE DOLLARS	DOLLARS		UNITS		AVERAGE DOLLARS
	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT
ACCOUNTING	54495	7.1	3038	7.0	17.94	53196	7.3	3184	7.4	16.71
ANTHROPOLOGY	2332	0.3	147	0.3	15.86	2138	0.3	144	0.3	14.85
ART & ARCHITECTURE	8986	1.2	416	1.0	21.60	5936	0.8	339	0.8	17.51
BIOLOGY	27284	3.6	1318	3.1	20.70	27987	3.8	1488	3.5	18.81
BUSINESS ADMINISTRATION	83486	10.9	3902	9.0	21.40	82963	11.4	4484	10.4	18.50
MANAGEMENT	25560	3.6	1239	3.1	20.63	27073	3.9	1462	3.6	18.52
MARKETING	15446	2.2	634	1.6	24.36	14932	2.2	712	1.8	20.97
FINANCE	11714	1.6	529	1.3	22.14	10665	1.6	556	1.4	19.18
OTHER	25510	3.6	1233	3.1	20.69	25352	3.7	1479	3.7	17.14
UNSPECIFIED	5256		267		19.69	4941		275		17.97
BUSINESS EDUCATION	30796	4.0	1970	4.6	15.63	31044	4.3	2150	5.0	14.44
CAREER EDUCATION & OCCUPATIONAL EDUC.	58613	7.7	2437	5.7	24.05	51125	7.0	2941	6.8	17.38
CHEMISTRY (INCL. BIOCH.)	20594	2.7	957	2.2	21.52	21711	3.0	1154	2.7	18.81
COMPUTERS & COMPUTING	64511	8.4	3762	8.7	17.15	62367	8.5	3360	7.8	18.56
ECONOMICS	22497	2.9	1116	2.6	20.16	21311	2.9	1154	2.7	18.47
EDUCATION	25054	3.3	1362	3.2	18.40	23959	3.3	1270	3.0	18.87
ENGINEERING	53334	7.0	2432	5.6	21.93	53356	7.3	2237	5.2	23.85
ELECTRICAL	19904	3.0	766	2.3	25.98	15683	2.7	608	1.7	25.79
CIVIL	4705	0.7	157	0.5	29.97	4346	0.8	148	0.4	29.36
MECHANICAL	6250	0.9	196	0.6	31.89	5817	1.0	196	0.6	29.68
OTHER	15933	2.4	761	2.3	20.94	15938	2.8	891	2.5	17.89
UNSPECIFIED	6542		552		11.85	11572		394		29.37
ENGLISH LANGUAGE & LIT.	42505	5.6	3756	8.7	11.32	40310	5.5	3717	8.6	10.84
ENGLISH-AS-A-SECOND LANGUAGE	2057	0.3	407	0.9	5.05	306	0 0	27	0.1	11.33
FOREIGN LANGUAGES (OTHER THAN FRENCH, GERMAN AND SPANISH)	1864	0.2	119	0.3	15.66	1607	0.2	104	0.2	15.45
FRENCH	3015	0.4	193	0.4	15.62	3358	0.5	212	0.5	15.84
GEOLOGY & EARTH SCIENCE	5577	0.7	264	0.6	21.13	5419	0.7	262	0.6	20.68
GEOGRAPHY	4019	0.5	170	0.4	23.64	3595	0.5	163	0.4	22.06
GERMAN	1150	0.2	70	0.2	16.43	1336	0.2	86	0.2	15.53
HEALTH EDUCATION & PHYSICAL EDUCATION	14168	1.9	1080	2.5	13.12	7555	1.0	621	1.4	12.17
HISTORY	16630	2.2	1092	2.5	15.23	13905	1.9	933	2.2	14.90
HOME ECONOMICS	2429	0.3	107	0.2	22.70	3429	0.5	175	0.4	19.59
MATHEMATICS	84603	11.1	3850	8.9	21.97	69617	9.5	3577	8.3	19.46
MATHEMATICS	55190	9.5	2608	7.8	21.16	49478	8.2	2551	7.2	19.40
STATISTICS	7745	1.3	333	1.0	23.26	7223	1.2	349	1.0	20.70
OTHER	964	0.2	50	0.1	19.28	806	0.1	45	0.1	17.91
UNSPECIFIED	20704		859		24.10	12110		632		19.16
MUSIC	6726	0.9	398	0.9	16.90	6540	0.9	423	1.0	15.46
NURSING & ALLIED HEALTH	14359	1.9	1227	2.8	11.70	13084	1.8	825	1.9	15.86
PHYSICS & PHYSICAL SCIENCE SURVEY	13307	1.7	621	1.4	21.43	12347	1.7	582	1.4	21.21
POLITICAL SCIENCE, PUBLIC SERVICE & ADMINISTRATION	19390	2.5	1285	3.0	15.09	13986	1.9	939	2.2	14.89
PSYCHOLOGY	35594	4.6	1871	4.3	19.02	34439	4.7	1982	4.6	17.38

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TABLE G6c - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS-BY SUBJECT CATEGORIES

Continued from page G-9

	1986					1985				
	DOLLARS		UNITS		AVERAGE DOLLARS	DOLLARS		UNITS		AVERAGE DOLLARS
	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT
RELIGION & PHILOSOPHY	7009	0.9	446	1.0	15.72	8511	1.2	586	1.4	14.52
SOCIOLOGY	12792	1.7	700	1.6	18.27	14972	2.1	851	2.0	17.59
SPANISH	4589	0.6	297	0.7	15.45	5220	0.7	336	0.8	15.54
SPEECH, DRAMA & MASS MEDIA	16683	2.2	1133	2.6	14.72	15186	2.1	1065	2.5	14.26
MISCELLANEOUS	5175	0.7	1176	2.7	4.40	18064	2.5	1667	3.9	10.84
TOTAL	765623	100.0	43119	100.0	17.76	729879	100.0	43038	100.0	16.96

TABLE G7a - NET SALES OF COLLEGE TEXTBOOKS AND MATERIALS-BY GEOGRAPHICAL LOCATION

THOUSANDS OF DOLLARS - AS REPORTED BY 17 PUBLISHERS - WITH ESTIMATES OF INDUSTRY TEXTBOOK SALES

	ACTUAL SALES REPORTED (TEXTBOOKS & MATERIALS)			ESTIMATED INDUSTRY SALES (TEXTBOOKS ONLY)					YOUR DATA
	1988	1987	PERCENT CHANGE	1988		1987		1966-68 (1)	
				$	INDEX	$	INDEX		
DOMESTIC UNITED STATES									
ALABAMA	12350	11079	11.5	23082	865	20491	768	2668	
ALASKA	2486	2046	21.5	3867	1553	3151	1265	249	
ARIZONA	14255	12400	15.0	23520	1040	20244	895	2263	
ARKANSAS	6443	5586	15.3	13267	744	11389	639	1783	
CALIFORNIA	108404	99839	8.6	186579	635	170055	579	29394	
COLORADO	13145	12731	3.3	24761	631	23726	604	3927	
CONNECTICUT	11285	11705	-3.6	21149	481	21716	494	4395	
DELAWARE	4022	3174	26.7	6605	1039	5160	811	636	
DIST. OF COLUMBIA	6408	5907	8.5	10898	393	9942	359	2771	
FLORIDA	36290	31458	15.4	65099	962	55838	825	6765	
GEORGIA	18607	16475	12.9	32247	768	28272	673	4199	
HAWAII	3928	3494	12.4	7365	553	6486	487	1331	
IDAHO	2728	2469	10.5	4413	372	3953	333	1187	
ILLINOIS	42657	39124	9.0	73874	513	67084	466	14405	
INDIANA	20076	17107	17.4	39816	637	33570	537	6249	
IOWA	10991	9529	15.3	21083	554	18099	476	3804	
KANSAS	7678	6782	13.2	14116	501	12343	438	2816	
KENTUCKY	9024	8439	6.9	17199	579	15925	536	2973	
LOUISIANA	12973	12368	4.9	23274	658	21961	621	3535	
MAINE	4045	3428	18.0	7374	506	6186	424	1458	
MARYLAND	18201	17170	6.0	32406	687	30260	641	4719	
MASSACHUSETTS	29350	28494	3.0	52840	435	50779	418	12149	
MICHIGAN	32095	30393	5.6	59723	549	55980	514	10885	
MINNESOTA	16329	14980	9.0	29240	590	26552	536	4958	
MISSISSIPPI	6724	5760	16.7	12043	608	10214	516	1980	
MISSOURI	18243	17058	6.9	34373	619	31827	573	5551	

Continued on page G-11

TABLE G7a - NET SALES OF COLLEGE TEXTBOOKS AND MATERIALS-BY GEOGRAPHICAL LOCATION

Continued from page G-10

	ACTUAL SALES REPORTED (TEXTBOOKS & MATERIALS)			ESTIMATED INDUSTRY SALES (TEXTBOOKS ONLY)					YOUR DATA
				1988		1987		1966-68	
	1988	1987	PERCENT CHANGE	$	INDEX	$	INDEX	(1)	
MONTANA	2800	2284	22.6	5098	542	4116	437	941	
NEBRASKA	5049	4818	4.8	9119	529	8613	500	1723	
NEVADA	3588	2961	21.2	8428	1164	6883	951	724	
NEW HAMPSHIRE	4031	3580	12.6	6711	515	5900	453	1302	
NEW JERSEY	25983	23761	9.4	47103	590	42618	534	7986	
NEW MEXICO	5395	4994	8.0	9666	699	8859	641	1383	
NEW YORK	74165	66836	11.0	141849	556	126492	495	25530	
NORTH CAROLINA	20549	18956	8.4	43467	797	39691	727	5457	
NORTH DAKOTA	3309	3016	9.7	5695	646	5139	583	881	
OHIO	36124	35027	3.1	60758	498	58332	478	12205	
OKLAHOMA	10929	9538	14.6	20121	650	17379	562	3095	
OREGON	10020	8897	12.6	18871	503	16589	442	3754	
PENNSYLVANIA	45000	42006	7.1	82986	529	76697	489	15682	
RHODE ISLAND	4968	4320	15.0	8019	520	6902	448	1541	
SOUTH CAROLINA	10136	9067	11.8	17011	708	15061	626	2404	
SOUTH DAKOTA	2682	2121	26.4	4567	424	3577	332	1078	
TENNESSEE	14117	12705	11.1	25304	591	22545	527	4279	
TEXAS	58900	51227	15.0	99023	811	85230	698	12214	
UTAH	7309	6401	14.2	12818	577	11110	500	2220	
VERMONT	2874	2377	20.9	5169	600	4232	492	861	
VIRGINIA	24435	22347	9.3	40529	847	36704	767	4787	
WASHINGTON	15837	14505	9.2	32570	737	29523	668	4421	
WEST VIRGINIA	6105	5205	17.3	11878	546	10023	461	2176	
WISCONSIN	16300	14228	14.6	27701	527	23926	455	5254	
WYOMING	1958	1742	12.4	3366	633	2964	557	532	
TOTAL DOMESTIC U.S.	881300	801914	9.9	1588040	612	1430308	551	259480	
CANADA	28555	26310	8.5	40833	357	39300	344	11423	
OTHER FOREIGN	48922	38180	28.1	87914	503	79913	457	17480	
ALL SALES	958777	866404	10.7	1716787	595	1549521	537	288383	

The first three columns in **Table G7a** show actual sales of reporting publishers by geographical location, and include **both textbooks and audiovisual and other materials.**

The remaining columns continue the historical series of estimated industry sales and, therefore, include **textbook sales only.**

The reader is cautioned that the actual change in sales for a given state may not reflect an actual sales increase (or decrease), but rather a shift in sales between reporting and non-reporting publishers.

Note: (1) Figures in the column so marked, provide the base (100%) for the index, and represent the average for the years 1966 through 1968.

TABLE G7b - GEOGRAPHICAL ANALYSIS OF ESTIMATED DOMESTIC INDUSTRY SALES OF COLLEGE TEXTBOOKS

THOUSANDS OF STUDENTS AND DOLLARS

	EST. INDUSTRY SALES ($)		PERCENT OF TOTAL SALES		ENROLLMENT		SALES PER CAPITA ($)		RANK IN SALES PER CAPITA	
	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987
ALABAMA	23082	20491	1.45	1.43	147	148	157.02	138.45	41	38
ALASKA	3867	3151	.24	.22	14	15	276.21	210.07	2	2
ARIZONA	23520	20244	1.48	1.42	145	145	162.21	139.61	32	37
ARKANSAS	13267	11389	.84	.80	65	65	204.11	175.22	6	7
CALIFORNIA	186579	170055	11.75	11.89	1147	1129	162.67	150.62	30	30
COLORADO	24761	23726	1.56	1.66	141	137	175.61	173.18	22	9
CONNECTICUT	21149	21716	1.33	1.52	113	112	187.16	193.89	14	4
DELAWARE	6605	5160	.42	.36	29	28	227.76	184.29	4	6
DISTRICT OF COLUMBIA	10898	9942	.69	.70	60	60	181.63	165.70	19	17
FLORIDA	65099	55838	4.10	3.90	319	324	204.07	172.34	7	10
GEORGIA	32247	28272	2.03	1.98	192	175	167.95	161.55	29	21
HAWAII	7365	6486	.46	.45	38	38	193.82	170.68	11	13
IDAHO	4413	3953	.28	.28	37	37	119.27	106.84	51	51
ILLINOIS	73874	67084	4.65	4.69	465	468	158.87	143.34	39	35
INDIANA	39816	33570	2.51	2.35	201	200	198.09	167.85	9	14
IOWA	21083	18099	1.33	1.27	131	131	160.94	138.16	35	39
KANSAS	14116	12343	.89	.86	108	107	130.70	115.36	48	48
KENTUCKY	17199	15925	1.08	1.11	124	119	138.70	133.82	46	44
LOUISIANA	23274	21961	1.47	1.54	145	145	160.51	151.46	38	29
MAINE	7374	6186	.46	.43	36	36	204.83	171.83	5	11
MARYLAND	32406	30260	2.04	2.12	160	158	202.54	191.52	8	5
MASSACHUSETTS	52840	50779	3.33	3.55	327	326	161.59	155.76	33	26
MICHIGAN	59723	55980	3.76	3.91	372	366	160.55	152.95	37	27
MINNESOTA	29240	26552	1.84	1.86	182	180	160.66	147.51	36	33
MISSISSIPPI	12043	10214	.76	.71	92	89	130.90	114.76	47	49
MISSOURI	34373	31827	2.16	2.23	189	186	181.87	171.11	18	12
MONTANA	5098	4116	.32	.29	28	29	182.07	141.93	16	36
NEBRASKA	9119	8613	.57	.60	72	73	126.65	117.99	50	47
NEVADA	8428	6883	.53	.48	27	26	312.15	264.73	1	1
NEW HAMPSHIRE	6711	5900	.42	.41	44	43	152.52	137.21	43	42
NEW JERSEY	47103	42618	2.97	2.98	201	203	234.34	209.94	3	3
NEW MEXICO	9666	8859	.61	.62	57	56	169.58	158.20	25	23
NEW YORK	141849	126492	8.93	8.84	744	762	190.66	166.00	13	16
NORTH CAROLINA	43467	39691	2.74	2.77	243	245	178.88	162.00	20	19
NORTH DAKOTA	5695	5139	.36	.36	32	32	177.97	160.59	21	22
OHIO	60758	58332	3.83	4.08	389	391	156.19	149.19	42	32
OKLAHOMA	20121	17379	1.27	1.22	128	126	157.20	137.93	40	40
OREGON	18871	16589	1.19	1.16	110	109	171.55	152.19	24	28
PENNSYLVANIA	82986	76697	5.23	5.36	447	441	185.65	173.92	15	8
RHODE ISLAND	8019	6902	.50	.48	56	55	143.20	125.49	45	46
SOUTH CAROLINA	17011	15061	1.07	1.05	117	113	145.39	133.28	44	45
SOUTH DAKOTA	4567	3577	.29	.25	27	26	169.15	137.58	26	41
TENNESSEE	25304	22545	1.59	1.58	157	157	161.17	143.60	34	34
TEXAS	99023	85230	6.24	5.96	587	571	168.69	149.26	27	31
UTAH	12818	11110	.81	.78	79	83	162.25	133.86	31	43
VERMONT	5169	4232	.33	.30	27	27	191.44	156.74	12	24
VIRGINIA	40529	36704	2.55	2.57	231	227	175.45	161.69	23	20
WASHINGTON	32570	29523	2.05	2.06	179	179	181.96	164.93	17	18
WEST VIRGINIA	11878	10023	.75	.70	60	60	197.97	167.05	10	15
WISCONSIN	27701	23926	1.74	1.67	215	221	128.84	108.26	49	50
WYOMING	3366	2964	.21	.21	20	19	168.30	156.00	28	25
TOTAL	1588040	1430308	100.00	100.00	9256	9198	171.57	155.50		

Footnotes for Table G7b appear on page G-27.

TABLE G8 - OPERATING DATA OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 19 PUBLISHERS

	ALL PUBLISHERS						YOUR DATA
	1988			1987			
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES		
		%	MID-RANGE		%	MID-RANGE	
GROSS SALES	1089790	124.0	120.4 TO 126.4	988264	122.8	120.1 TO 125.1	
RETURNS & ALLOWANCES	210869	24.0	20.4 TO 26.4	183358	22.8	20.1 TO 25.1	
NET SALES	878921	100.0	100.0 TO 100.0	804906	100.0	100.0 TO 100.0	
COST OF SALES							
PAPER, PRINTING, BINDING & DUPL. COSTS	153347	17.4	15.3 TO 20.0	142961	17.8	15.7 TO 21.2	
ROYALTIES	127917	14.6	13.8 TO 15.4	116576	14.5	13.6 TO 15.8	
TOTAL COST OF SALES	281264	32.0	28.9 TO 35.6	259537	32.2	29.5 TO 37.0	
GROSS MARGIN ON SALES	597657	68.0	64.4 TO 71.1	545369	67.8	63.0 TO 70.5	
OTHER INCOME	12405	1.4	0.2 TO 1.2	10584	1.3	0.1 TO 1.8	
PUBLISHING & OPERATING EXPENSES							
PLANT COSTS	61819	7.0	5.3 TO 8.6	57868	7.2	5.1 TO 8.9	
EDITORIAL	61194	7.0	5.4 TO 9.0	53029	6.6	5.6 TO 8.5	
PRODUCTION	28743	3.3	1.6 TO 4.0	26494	3.3	1.4 TO 4.1	
MARKETING	155318	17.7	13.2 TO 20.3	139799	17.4	13.4 TO 20.7	
FULFILLMENT	50533	5.7	4.1 TO 6.6	42902	5.3	4.3 TO 7.5	
GENERAL & ADMIN.	88796	10.1	7.4 TO 12.2	89492	11.1	8.1 TO 13.8	
TOTAL PUBL. & OPERATING EXPENSE	446403	50.8	44.2 TO 57.5	409584	50.9	46.5 TO 59.8	
INCOME FROM OPERATIONS*	163659	18.6	10.6 TO 23.6	146369	18.2	10.2 TO 20.7	

Continued on page G-14

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

OPERATING DATA

Data are furnished by size of publisher (**Tables G8 through G17**). **Table G8** is a summary table, offering a composite income statement of the reporting publishers. The remaining tables detail specific expense areas including a time series covering detailed expense ratios of the past four years (**Tables G18 through G23**).

The series of **Tables G18 through G23** (pages G-23 through G-26) provide comparisons for four years, of expense ratios in operating areas. Note that the reported changes in the ratios from year to year are based on comparisons of **unrounded** figures, while the actual ratios reported in the tables have been rounded to one decimal point. As a result, changes in magnitude will be reported for figures which, because of the rounding, appear to be identical.

Text continued on page G-14

TABLE G8 - OPERATING DATA OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page G-13

	3 PUBLISHERS WITH 1988 NET SALES UNDER $15 MILLION						
	1988			1987			YOUR DATA
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES		
		%	MID-RANGE		%	MID-RANGE	
GROSS SALES	31501	126.4	125.3 TO 130.1	26097	124.6	123.7 TO 125.3	
RETURNS & ALLOWANCES	6571	26.4	25.3 TO 30.1	5156	24.6	23.7 TO 25.3	
NET SALES	24930	100.0	100.0 TO 100.0	20941	100.0	100.0 TO 100.0	
COST OF SALES							
PAPER, PRINTING, BINDING & DUPL. COSTS	3801	15.2	14.1 TO 18.1	3348	16.0	12.1 TO 23.5	
ROYALTIES	3644	14.6	11.8 TO 17.8	3199	15.3	13.6 TO 19.3	
TOTAL COST OF SALES	7445	29.9	28.9 TO 33.0	6547	31.3	28.3 TO 37.2	
GROSS MARGIN ON SALES	17485	70.1	67.0 TO 71.1	14394	68.7	62.8 TO 71.7	
OTHER INCOME	148	0.6	0.3 TO 1.3	103	0.5	0.3 TO 0.7	
PUBLISHING & OPERATING EXPENSES							
PLANT COSTS	1901	7.6	4.6 TO 15.7	1957	9.3	4.4 TO 21.3	
EDITORIAL	1981	7.9	5.2 TO 12.0	1527	7.3	4.9 TO 10.2	
PRODUCTION	398	1.6	0.7 TO 3.6	468	2.2	0.7 TO 4.1	
MARKETING	4359	17.5	11.0 TO 21.2	3720	17.8	9.8 TO 22.6	
FULFILLMENT	1619	6.5	4.8 TO 9.7	1430	6.8	5.2 TO 9.2	
GENERAL & ADMIN.	3216	12.9	9.4 TO 15.3	3110	14.9	11.0 TO 17.3	
TOTAL PUBL. & OPERATING EXPENSE	13474	54.0	43.2 TO 61.7	12212	58.3	46.5 TO 67.5	
INCOME FROM OPERATIONS*	4159	16.7	6.0 TO 28.2	2285	10.9	1.6 TO 17.0	

* Please see the corresponding note on page G-13.

Continued on page G-15

Text continued from page G-13

While encouraged to furnish sales data on a calendar year basis, publishers were given the option of supplying operating information on a fiscal year basis. 6 publishers exercised this option. For the fiscal year publishers, the month terminating their reporting year is listed below, together with the number of publishers for each such month:

March - 2
April - 1
June - 2
October - 1

12 publishers, with net sales of $557.1 million, supplemented their operating data by reporting Cash Plant Expenditures of $38.5 million (6.9% of net sales). Since plant costs in Table G8 are reported on an accrual basis and subject, therefore, to varying treatment (amortization, write-off, inventory inclusion, etc.) depending on individual publishers' policies, valid comparison of a given publishers' experience with the composite figure becomes difficult. However, by reporting plant expenditures on a cash basis (i.e. actual monies spent during the year not related to books sold or to amortization of amounts previously expended), all reporting companies are, at least, placed on the same footing. By relating the expenditures to these publishers' net sales, a yardstick of comparison is established, even though no true (i.e. accrual) relationship exists between the cash amounts spent on the sales consummated during the year.

Text continued on page G-15

TABLE G8 - OPERATING DATA OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page G-14

	5 PUBLISHERS WITH 1988 NET SALES $15 TO $30 MILLION						
	1988			1987			YOUR DATA
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES		
		%	MID-RANGE		%	MID-RANGE	
GROSS SALES	138947	121.0	115.9 TO 124.4	123740	121.8	116.5 TO 125.1	
RETURNS & ALLOWANCES	24148	21.0	15.9 TO 24.4	22161	21.8	16.5 TO 25.1	
NET SALES	114799	100.0	100.0 TO 100.0	101579	100.0	100.0 TO 100.0	
COST OF SALES							
PAPER, PRINTING, BINDING & DUPL. COSTS	22222	19.4	16.1 TO 22.5	20110	19.8	16.8 TO 23.0	
ROYALTIES	15866	13.8	11.5 TO 15.2	14427	14.2	11.8 TO 15.1	
TOTAL COST OF SALES	38088	33.2	28.4 TO 37.1	34537	34.0	29.3 TO 37.3	
GROSS MARGIN ON SALES	76711	66.8	62.9 TO 71.6	67042	66.0	62.7 TO 70.7	
OTHER INCOME	463	0.4	0.1 TO 1.0	638	0.6	0.0 TO 2.3	
PUBLISHING & OPERATING EXPENSES							
PLANT COSTS	7917	6.9	4.3 TO 9.9	7246	7.1	5.3 TO 9.5	
EDITORIAL	8101	7.1	6.0 TO 8.7	7549	7.4	6.3 TO 9.5	
PRODUCTION	3706	3.2	1.6 TO 4.5	3243	3.2	1.6 TO 4.8	
MARKETING	21119	18.4	15.1 TO 21.0	19457	19.2	15.5 TO 22.7	
FULFILLMENT	7805	6.8	4.5 TO 8.9	7541	7.4	4.9 TO 9.7	
GENERAL & ADMIN.	13030	11.4	8.6 TO 13.3	11911	11.7	10.7 TO 13.1	
TOTAL PUBL. & OPERATING EXPENSE	61678	53.7	47.3 TO 59.1	56947	56.1	49.8 TO 61.9	
INCOME FROM OPERATIONS*	15496	13.5	8.6 TO 20.6	10733	10.6	5.0 TO 18.1	

* Please see the corresponding note on page G-13.

Continued on page G-16

Text continued from page G-14

To provide an added perspective on the accrual figure reported in **Table G8**, however, publishers were asked to report their methods of treating plant costs:

7 publishers reported using sum-of-the-years' digits systems (varying from 3 to 5 years); 3 publishers reported straight-line amortization of 3 to 5 years; 6 publishers added the cost to inventory and expensed it over periods of 1 to 4 years, and 2 publishers used combinations of systems.

12 publishers, with total net sales of $557.1 million reported carrying unamortized plant costs totaling $73.5 million (13.2% of net sales) on their year-end balance sheets. $18.8 million of this amount involved unpublished titles; $44.4 million involved published titles; and $10.3 million were reported without specification.

TABLE G8 - OPERATING DATA OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page G-15

	5 PUBLISHERS WITH 1988 NET SALES $30 TO $60 MILLION							
	1988			1987			YOUR DATA	
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	313266	123.6	117.9 TO 128.3	287780	122.1	118.3 TO 125.1		
RETURNS & ALLOWANCES	59824	23.6	17.9 TO 28.3	52041	22.1	18.3 TO 25.1		
NET SALES	253442	100.0	100.0 TO 100.0	235739	100.0	100.0 TO 100.0		
COST OF SALES								
PAPER, PRINTING, BINDING & DUPL. COSTS	49534	19.5	14.6 TO 28.2	44316	18.8	16.3 TO 21.7		
ROYALTIES	37189	14.7	13.2 TO 16.2	34230	14.5	12.6 TO 16.8		
TOTAL COST OF SALES	86723	34.2	27.9 TO 44.4	78546	33.3	28.9 TO 37.2		
GROSS MARGIN ON SALES	166719	65.8	55.6 TO 72.1	157193	66.7	62.8 TO 71.1		
OTHER INCOME	1065	0.4	0.0 TO 0.9	1198	0.5	0.1 TO 1.2		
PUBLISHING & OPERATING EXPENSES								
PLANT COSTS	11741	4.6	3.4 TO 7.2	13291	5.6	3.1 TO 8.5		
EDITORIAL	16654	6.6	3.4 TO 9.4	14870	6.3	4.4 TO 7.8		
PRODUCTION	5810	2.3	1.0 TO 3.7	5883	2.5	1.4 TO 4.2		
MARKETING	45075	17.8	16.1 TO 19.4	42451	18.0	16.6 TO 19.3		
FULFILLMENT	11932	4.7	3.4 TO 5.7	10550	4.5	3.7 TO 5.3		
GENERAL & ADMIN.	21031	8.3	6.1 TO 10.8	20312	8.6	6.8 TO 11.1		
TOTAL PUBL. & OPERATING EXPENSE	112243	44.3	39.6 TO 48.1	107357	45.5	41.1 TO 50.4		
INCOME FROM OPERATIONS*	55541	21.9	13.0 TO 30.1	51034	21.6	13.5 TO 28.5		

* Please see the corresponding note on page G-13.

Continued on page G-17

TABLE G8 - OPERATING DATA OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page G-16

	6 PUBLISHERS WITH 1988 NET SALES ABOVE $60 MILLION							
	1988			1987			YOUR DATA	
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	606076	124.8	120.3 TO 128.5	550647	123.3	119.3 TO 127.4		
RETURNS & ALLOWANCES	120326	24.8	20.3 TO 28.5	104000	23.3	19.3 TO 27.4		
NET SALES	485750	100.0	100.0 TO 100.0	446647	100.0	100.0 TO 100.0		
COST OF SALES								
PAPER, PRINTING, BINDING & DUPL. COSTS	77790	16.0	14.2 TO 19.1	75187	16.8	15.2 TO 18.8		
ROYALTIES	71218	14.7	13.5 TO 16.1	64720	14.5	13.3 TO 15.9		
TOTAL COST OF SALES	149008	30.7	27.9 TO 34.3	139907	31.3	29.5 TO 33.8		
GROSS MARGIN ON SALES	336742	69.3	65.7 TO 72.1	306740	68.7	66.2 TO 70.5		
OTHER INCOME	10729	2.2	0.2 TO 3.2	8645	1.9	0.1 TO 2.8		
PUBLISHING & OPERATING EXPENSES								
PLANT COSTS	40260	8.3	6.8 TO 9.8	35374	7.9	6.9 TO 9.1		
EDITORIAL	34458	7.1	5.4 TO 9.9	29083	6.5	5.5 TO 8.0		
PRODUCTION	18829	3.9	1.8 TO 5.6	16900	3.8	2.7 TO 5.1		
MARKETING	84765	17.5	10.6 TO 20.9	74171	16.6	10.2 TO 20.8		
FULFILLMENT	29177	6.0	4.1 TO 6.6	23381	5.2	3.7 TO 6.3		
GENERAL & ADMIN.	51519	10.6	6.4 TO 14.2	54159	12.1	7.8 TO 15.0		
TOTAL PUBL. & OPERATING EXPENSE	259008	53.3	46.8 TO 60.0	233068	52.2	45.2 TO 59.1		
INCOME FROM OPERATIONS*	88463	18.2	11.9 TO 23.8	82317	18.4	13.7 TO 21.7		

* Please see the corresponding note on page G-13.

TABLE G9 - INVENTORY DATA OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 14 PUBLISHERS
WITH TOTAL NET SALES OF $680,621,000

	ALL PUBLISHERS		2 PUBLISHERS NET SALES UP TO $15 MILLION		4 PUBLISHERS NET SALES $15-$30 MILLION		3 PUBLISHERS NET SALES $30-$60 MILLION		5 PUBLISHERS NET SALES ABOVE $60 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
BEGINNING INVENTORY	103536	15.2			13889	14.2	25470	17.5	61514	14.8
PURCHASES OF PAPER, PRINTING, BINDING & DUPLICATING	150043	22.0			21870	22.4	38776	26.6	85092	20.4
COST OF FREE COPIES	12682	1.9			1667	1.7	2385	1.6	8055	1.9
WRITE DOWNS	7473	1.1			1266	1.3	1754	1.2	4343	1.0
ENDING INVENTORY AFTER WRITE DOWNS	125898	18.5			15322	15.7	31539	21.7	75867	18.2
PAPER, PRINTING, BINDING & DUPL. COST OF PRODUCTS SOLD	114999	16.9			13770	19.2	30321	20.8	62684	15.0

Based on data in **Table G9**, the inventory turnover of all reporting publishers is 1.0; that of publishers with net sales $15 to $30 million is 1.3; that of publishers with net sales $30 to $60 million is 1.1; and that of publishers with net sales above $60 million is 0.9.

Data for publishers with net sales "Below $15 Million" have been suppressed to prevent disclosure.

TABLE G10 - ROYALTY EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS
WITH TOTAL NET SALES OF $660,907,000

	ALL PUBLISHERS		1 PUBLISHER NET SALES UP TO $15 MILLION		4 PUBLISHERS NET SALES $15-$30 MILLION		4 PUBLISHERS NET SALES $30-$60 MILLION		4 PUBLISHERS NET SALES ABOVE $60 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ROYALTIES AND FEES PAID	93875	14.2			13293	13.6	28266	14.5	50157	14.2
ADVANCES WRITTEN OFF	796	0.1			26	0.0	281	0.1	481	0.1
TOTAL ROYALTY EXPENSE	94671	14.3			13319	13.6	28548	14.6	50637	14.3

For **Table G10**, in addition to royalty operating data, publishers were asked to report the level of royalty advances carried on their balance sheets at reporting year end.

For 1988, 10 publishers with net sales of $484.4 million reported royalty advances before write-off of $18.6 million (3.8% of net sales), and after write-off of $16.5 million (3.4% of net sales). The write-off therefore represented 0.4% of net sales and 11.4% of gross advances.

For 1987, 10 publishers (not entirely the same group as for 1988) reported royalty advances before write-off of $17.3 million (3.3% of the reported $518.9 million net sales), and after write-off the advances totaled $14.7 million (2.8% of net sales). The write-off therefore represented 0.5% of net sales and 14.8% of gross advances.

Data for publishers with net sales "Below $15 Million" have been suppressed to prevent disclosure.

TABLE G11 - EDITORIAL EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 16 PUBLISHERS
WITH TOTAL NET SALES OF $734,558,000

	ALL PUBLISHERS		3 PUBLISHERS NET SALES UP TO $15 MILLION		4 PUBLISHERS NET SALES $15-$30 MILLION		4 PUBLISHERS NET SALES $30-$60 MILLION		5 PUBLISHERS NET SALES ABOVE $60 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
EDITORIAL COSTS										
DEPARTMENTAL (OTHER THAN COPY EDITING) SALARIES	28585	3.9	1513	6.1	3790	3.9	7151	3.7	16132	3.9
BENEFITS	5923	0.8	73	0.3	781	0.8	1565	0.8	3504	0.8
DEP'T'L TRAVEL & ENT.	4099	0.6	183	0.7	521	0.5	837	0.4	2559	0.6
ADVISOR'S FEES	3501	0.5	81	0.3	676	0.7	323	0.2	2420	0.6
OTHER EDITORIAL EXP.	6967	0.9	131	0.5	823	0.8	1031	0.5	4983	1.2
TOTAL EDITORIAL EXPENSE	49076	6.7	1981	7.9	6591	6.7	10907	5.6	29598	7.1

TABLE G12 - PRODUCTION EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 16 PUBLISHERS
WITH TOTAL NET SALES OF $734,558,000

	ALL PUBLISHERS		3 PUBLISHERS NET SALES UP TO $15 MILLION		4 PUBLISHERS NET SALES $15-$30 MILLION		4 PUBLISHERS NET SALES $30-$60 MILLION		5 PUBLISHERS NET SALES ABOVE $60 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PRODUCTION COSTS										
PRODUCTION SALARIES	10947	1.5	308	1.2	1780	1.8	2452	1.3	6408	1.5
PRODUCTION BENEFITS	2304	0.3	32	0.1	396	0.4	504	0.3	1372	0.3
OUTSIDE PRODUCTION COSTS	2935	0.4	0	0.0	70	0.1	931	0.5	1934	0.5
COPY EDITING COSTS (INC. SALARIES)	6297	0.9	44	0.2	491	0.5	381	0.2	5381	1.3
COPY EDITING STAFF BENEFITS	793	0.1	3	0.0	84	0.1	55	0.0	651	0.2
OTHER PRODUCTION EXP.	2650	0.4	10	0.0	15	0.0	556	0.3	2070	0.5
TOTAL PRODUCTION EXPENSE	25926	3.5	398	1.6	2835	2.9	4878	2.5	17815	4.3

TABLE G13 - MARKETING EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 14 PUBLISHERS
WITH TOTAL NET SALES OF $572,316,000

	ALL PUBLISHERS		3 PUBLISHERS NET SALES UP TO $15 MILLION		4 PUBLISHERS NET SALES $15-$30 MILLION		4 PUBLISHERS NET SALES $30-$60 MILLION		3 PUBLISHERS NET SALES ABOVE $60 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SELLING EXPENSE										
SALARIES & BONUSES	34491	6.0	956	3.8	5948	6.1	11752	6.0	15835	6.2
BENEFITS	6947	1.2	47	0.2	1123	1.1	2549	1.3	3227	1.3
DEPARTMENTAL TRAVEL & ENTERTAINMENT	12452	2.2	383	1.5	2171	2.2	4377	2.2	5521	2.2
OTHER SELLING EXPENSE	12515	2.2	467	1.9	2871	2.9	1518	0.8	7659	3.0
TOTAL SELLING EXPENSE	66404	11.6	1852	7.4	12113	12.4	20197	10.3	32242	12.7
PROMOTION EXPENSE										
DEPARTMENTAL SALARIES & BONUSES	5150	0.9	202	0.8	558	0.6	1197	0.6	3194	1.3
BENEFITS	1122	0.2	15	0.1	141	0.1	297	0.2	670	0.3
DEPARTMENTAL TRAVEL & ENTERTAINMENT	694	0.1	2	0.0	59	0.1	165	0.1	468	0.2
SPACE ADVERTISING	1670	0.3	167	0.7	376	0.4	439	0.2	688	0.3
CATALOGS, DIRECT MAIL & SELLING MAT'L	7936	1.4	739	3.0	1202	1.2	2916	1.5	3078	1.2
FREE COPIES (INCL. POSTAGE)	19502	3.4	1152	4.6	2944	3.0	7655	3.9	7751	3.0
FREE ANCILLARY SOFTWARE & FILMS	228	0.0	16	0.1	111	0.1	100	0.1	0	0.0
EXHIBITS	2302	0.4	134	0.5	210	0.2	819	0.4	1140	0.4
OTHER	5647	1.0	81	0.3	97	0.1	866	0.4	4603	1.8
TOTAL PROMOTION EXPENSE	44251	7.7	2508	10.1	5698	5.8	14453	7.4	21592	8.5
TOTAL MARKETING EXPENSE	110655	19.3	4360	17.5	17811	18.2	34651	17.7	53834	21.2

TABLE G14 - SALESMEN'S COMPENSATION AND EXPENSE OF COLLEGE PUBLISHERS

	1988	1987	1986	1985
NUMBER OF COMPANIES REPORTING	14	13	12	11
NUMBER OF SALESMEN	797	750	609	579
SALESMAN TURNOVER (%)	14.3	17.1	14.1	22.4
AVERAGE SALARY ($)	28928	28409	25974	24856
AVERAGE SALARY AND COMMISSION ($)	35234	33645	30517	29284
AVERAGE TRAVEL EXP. ($)	12669	13010	11883	12786
AVERAGE CONFERENCE EXPENSE ($)	2251	2362	2426	2065

Continued on page G-21

TABLE G14 - SALESMEN'S COMPENSATION AND EXPENSE OF COLLEGE PUBLISHERS

Continued from page G-20

	1988	1987	1986	1985
AVERAGE FREE COPY EXPENSE ($)	20814	20934	17189	18121
TOTAL COMPENSATION, TRAVEL, CONFERENCE & FREE COPIES AS A PERCENT OF NET SALES	10.8	11.3	10.6	11.2
AVERAGE TERRITORY SIZE ($000)	702	665	635	647

TABLE G15 - FULFILLMENT EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS

AS REPORTED BY 9 PUBLISHERS WITH NET SALES OF $469,808,000 USING INTERNAL FACILITIES	ALL PUBLISHERS		2 PUBLISHERS NET SALES UP TO $15 MILLION		1 PUBLISHER NET SALES $15-$30 MILLION		2 PUBLISHERS NET SALES $30-$60 MILLION		4 PUBLISHERS NET SALES ABOVE $60 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ORDER PROCESSING AND CUSTOMER SERVICE										
SALARIES (TOTAL)	6221	1.3							4676	1.4
ACC'TS RECEIVABLE & CREDIT CONTRL	730	0.3							507	0.3
ORDER PROCESSING & CUSTOMER SERV.	2684	1.0							1621	1.0
OTHER	326	0.1							228	0.1
UNSPECIFIED	2481								2320	
BENEFITS	1377	0.3							1019	0.3
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	3442	0.7							2763	0.8
OTHER (INC. EQUIPMENT AND SUPPLIES)	2075	0.4							1957	0.6
TOTAL ORDER PROCESSING AND CUSTOMER SERVICE	13115	2.8							10414	3.1
SHIPPING & WAREHOUSING										
SALARIES	8240	1.8							6666	2.0
BENEFITS	1697	0.4							1360	0.4
OCCUPANCY	3323	0.7							1987	0.6
EQUIPMENT & SUPPLIES	1846	0.4							1298	0.4
TRANSPORTATION CHRGES	194	0.0							-297	-0.1
OTHER	-192	-0.0							-431	-0.1
TOTAL SHIPPING AND WAREHOUSING	15108	3.2							10582	3.1
TOTAL FULFILLMENT EXP. OF PUBLISHERS USING INTERNAL FACILITIES	28223	6.0							20997	6.2

Data for publishers with net sales in categories "Below $60 Million" have been suppressed to prevent disclosure.

TABLE G16 - GENERAL AND ADMINISTRATIVE EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 15 PUBLISHERS
WITH TOTAL NET SALES OF $706,469,000

	ALL PUBLISHERS		3 PUBLISHERS NET SALES UP TO $15 MILLION		3 PUBLISHERS NET SALES $15-$30 MILLION		4 PUBLISHERS NET SALES $30-$60 MILLION		5 PUBLISHERS NET SALES ABOVE $60 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
MANAGEMENT SALARIES	14039	2.0	655	2.6	1172	1.7	2735	1.4	9479	2.3
MANAGEMENT BENEFITS	2258	0.3	23	0.1	195	0.3	399	0.2	1642	0.4
ACCOUNTING SALARIES	5272	0.7	330	1.3	710	1.0	1319	0.7	2914	0.7
ACCOUNTING BENEFITS	1035	0.1	12	0.0	134	0.2	291	0.1	599	0.1
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	4348	0.6	163	0.7	284	0.4	972	0.5	2930	0.7
GENERAL OFFICE BENEFITS	1271	0.2	376	1.5	75	0.1	215	0.1	605	0.1
GENERAL TRAVEL & ENT.	1328	0.2	76	0.3	148	0.2	308	0.2	797	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOCATED)	5379	0.8	39	0.2	534	0.8	1774	0.9	3031	0.7
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	11083	1.6	578	2.3	787	1.1	3541	1.8	6177	1.5
TAXES (EXCEPT INCOME & PAYROLL TAXES)	1132	0.2	19	0.1	266	0.4	296	0.2	551	0.1
PERSONAL PROPERTY TAX	677	0.1	0	0.0	214	0.3	223	0.1	240	0.1
ALL OTHER TAXES	366	0.1	19	0.1	52	0.1	72	0.0	223	0.1
UNSPECIFIED	88		0		0		0		88	
INTEREST EXPENSE	101	0.0	97	0.4	0	0.0	4	0.0	0	0.0
OTHER	18193	2.6	849	3.4	2619	3.8	4185	2.1	10539	2.5
TOTAL GENERAL AND ADMINISTRATIVE EXP.	65440	9.3	3217	12.9	6923	9.9	16038	8.2	39263	9.5

TABLE G17 - SUMMARY OF EMPLOYEE BENEFITS EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 15 PUBLISHERS
WITH TOTAL NET SALES OF $728,493,000

	ALL PUBLISHERS		2 PUBLISHERS NET SALES UP TO $15 MILLION		4 PUBLISHERS NET SALES $15-$30 MILLION		4 PUBLISHERS NET SALES $30-$60 MILLION		5 PUBLISHERS NET SALES ABOVE $60 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PENSIONS	2217	0.3			446	0.5	563	0.3	1139	0.3
DEFERRED PROFIT SHARING	4365	0.6			610	0.6	1172	0.6	2583	0.6
HOSPITALIZATION & GROUP INSURANCE	10142	1.4			1579	1.6	2540	1.3	5917	1.4
PAYROLL TAXES	10324	1.4			1586	1.6	2459	1.3	6102	1.5
OTHER	2580	0.4			192	0.2	285	0.1	2104	0.5
TOTAL EMPLOYEE BENEFITS	29627	4.1			4412	4.5	7019	3.6	17845	4.3

Data for publishers with net sales "Below $15 Million" have been suppressed to prevent disclosure.

TABLE G18 - EDITORIAL EXPENSE RATIOS OF COLLEGE PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 12 PUBLISHERS
WITH 1988 NET SALES OF $598,440,000

	1988			1987		1986		1985
	PCT NET SALES	PCT CHG FROM 87	PCT CHG FROM 85	PCT NET SALES	PCT CHG FROM 86	PCT NET SALES	PCT CHG FROM 85	PCT NET SALES
EDITORIAL COSTS								
DEPARTMENTAL (OTHER THAN COPY EDITING) SALARIES	3.7	0.0	-2.7	3.7	-1.4	3.8	-1.4	3.8
BENEFITS	0.8	9.4	5.1	0.7	-4.3	0.7	0.3	0.7
DEP'T'L TRAVEL & ENT.	0.6	7.6	7.0	0.5	-0.8	0.5	0.3	0.5
ADVISOR'S FEES	0.6	14.2	35.5	0.5	7.4	0.5	10.5	0.4
OTHER EDITORIAL EXP.	1.0	22.4	43.2	0.8	24.3	0.7	-5.9	0.7
TOTAL EDITORIAL EXPENSE	6.6	5.8	6.8	6.3	1.7	6.2	-0.7	6.2

TABLE G19 - PRODUCTION EXPENSE RATIOS OF COLLEGE PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 12 PUBLISHERS
WITH 1988 NET SALES OF $598,440,000

	1988			1987		1986		1985
	PCT NET SALES	PCT CHG FROM 87	PCT CHG FROM 85	PCT NET SALES	PCT CHG FROM 86	PCT NET SALES	PCT CHG FROM 85	PCT NET SALES
PRODUCTION COSTS								
PRODUCTION SALARIES	1.7	-10.1	-14.6	1.8	-10.4	2.1	6.0	1.9
PRODUCTION BENEFITS	0.4	-7.5	-4.5	0.4	-12.8	0.4	18.3	0.4
OUTSIDE PRODUCTION COSTS	0.4	30.8	-0.8	0.3	-16.1	0.3	-9.7	0.4
COPY EDITING COSTS (INCL. SALARIES)	1.2	17.6	50.6	1.0	25.1	0.8	2.4	0.8
COPY EDITING STAFF BENEFITS	0.1	2.6	47.1	0.1	27.7	0.1	12.2	0.1
OTHER PRODUCTION EXP.	0.4	-19.9	0.5	0.5	44.5	0.3	-13.3	0.4
TOTAL PRODUCTION EXPENSE	4.1	-1.1	3.4	4.1	1.4	4.1	3.2	4.0

TABLE G20 - MARKETING EXPENSE RATIOS OF COLLEGE PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 10 PUBLISHERS
WITH 1988 NET SALES OF $436,198,000

	1988			1987		1986		1985
	PCT NET SALES	PCT CHG FROM 87	PCT CHG FROM 85	PCT NET SALES	PCT CHG FROM 86	PCT NET SALES	PCT CHG FROM 85	PCT NET SALES
SELLING EXPENSE								
SALARIES & BONUSES	6.1	-2.8	15.8	6.2	18.7	5.2	0.3	5.2
BENEFITS	1.2	1.4	22.4	1.2	13.7	1.0	6.2	1.0
DEPARTMENTAL TRAVEL & ENTERTAINMENT	2.1	2.1	7.8	2.1	3.7	2.0	1.8	2.0
OTHER SELLING EXPENSE	2.6	24.6	1.7	2.1	88.0	1.1	-56.6	2.5
TOTAL SELLING EXPENSE	12.0	3.4	11.6	11.6	23.1	9.4	-12.3	10.7
PROMOTION EXPENSE								
DEPARTMENTAL SALARIES & BONUSES	1.0	-2.4	3.6	1.0	-7.9	1.1	15.2	1.0
BENEFITS	0.2	-6.4	15.1	0.2	11.9	0.2	10.0	0.2
DEPARTMENTAL TRAVEL & ENTERTAINMENT	0.1	123.6	181.0	0.1	-25.8	0.1	69.4	0.0
SPACE ADVERTISING	0.2	-13.8	-6.5	0.3	26.3	0.2	-14.1	0.3
CATALOGS, DIRECT MAIL & SELLING MAT'L	1.3	9.3	-17.5	1.2	-6.8	1.3	-19.1	1.6
FREE COPIES (INCL. POSTAGE)	3.5	-16.3	12.0	4.2	13.0	3.7	18.5	3.1
FREE ANCILLARY SOFT-WARE & FILMS	0.0	-51.0	7.6	0.0	127.7	0.0	-3.5	0.0
EXHIBITS	0.4	14.6	54.0	0.3	1.2	0.3	32.7	0.3
OTHER	1.2	43.3	45.8	0.9	-61.4	2.2	163.8	0.8
TOTAL PROMOTION EXPENSE	8.0	-2.0	10.5	8.2	-10.8	9.2	26.3	7.2
TOTAL MARKETING EXPENSE	20.0	1.2	11.1	19.8	6.4	18.6	3.2	18.0

TABLE G21 - FULFILLMENT EXPENSE RATIOS OF COLLEGE PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 7 PUBLISHERS
WITH 1988 NET SALES OF $409,445,000

	1988			1987		1986		1985
	PCT NET SALES	PCT CHG FROM 87	PCT CHG FROM 85	PCT NET SALES	PCT CHG FROM 86	PCT NET SALES	PCT CHG FROM 85	PCT NET SALES
ORDER PROCESSING AND CUSTOMER SERVICE								
SALARIES (TOTAL)	1.3	3.3	-23.0	1.2	-2.8	1.3	-23.3	1.6
ACC'TS RECEIVABLE & CREDIT CONTRL	0.1	-10.8	-11.5	0.2	4.3	0.2	-4.8	0.2
ORDER PROCESSING & CUSTOMER SERV.	0.4	-14.9	-5.6	0.5	4.1	0.5	6.6	0.5
OTHER	0.1	-10.9	-24.5	0.1	10.3	0.1	-23.1	0.1
UNSPECIFIED	0.6	31.1	-33.6	0.5	-13.3	0.5	-41.6	0.9
BENEFITS	0.3	-9.9	-28.0	0.3	2.2	0.3	-21.8	0.4
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	0.8	-5.4	-2.8	0.9	-0.7	0.9	3.5	0.8
OTHER (INC. EQUIPMENT AND SUPPLIES)	0.5	38.0	3.0	0.4	-20.2	0.5	-6.5	0.5
TOTAL ORDER PROCESSING AND CUSTOMER SERVICE	2.9	3.7	-14.7	2.8	-4.5	2.9	-13.9	3.4
SHIPPING & WAREHOUSING								
SALARIES	1.8	-1.4	-2.3	1.9	-3.9	1.9	3.1	1.9
BENEFITS	0.4	-8.7	4.7	0.4	1.7	0.4	12.7	0.4
OCCUPANCY	0.6	2.9	-5.8	0.6	-4.5	0.6	-4.2	0.6
EQUIPMENT & SUPPLIES	0.4	10.3	16.2	0.3	-18.7	0.4	29.6	0.3
TRANSPORTATION CHRGES	-0.0	51.8	-112.0	-0.0	-120.2	0.1	-61.0	0.1
OTHER	-0.1	-414.0	-270.8	0.0	-119.7	-0.2	-376.2	0.1
TOTAL SHIPPING AND WAREHOUSING	3.1	-4.4	-9.6	3.2	-1.7	3.3	-3.8	3.4
TOTAL FULFILLMENT EXP. OF PUBLISHERS USING INTERNAL FACILITIES	5.9	-0.7	-12.1	6.0	-3.0	6.2	-8.8	6.8

TABLE G22 - GENERAL AND ADMINISTRATIVE EXPENSE RATIOS OF COLLEGE PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 11 PUBLISHERS
WITH 1988 NET SALES OF $570,351,000

	1988			1987		1986		1985
	PCT NET SALES	PCT CHG FROM 87	PCT CHG FROM 85	PCT NET SALES	PCT CHG FROM 86	PCT NET SALES	PCT CHG FROM 85	PCT NET SALES
MANAGEMENT SALARIES	2.1	53.2	16.0	1.4	-14.2	1.6	-11.7	1.8
MANAGEMENT BENEFITS	0.3	41.6	3.1	0.2	-22.5	0.3	-6.1	0.3
ACCOUNTING SALARIES	0.7	10.3	-20.7	0.6	-12.2	0.7	-18.1	0.9
ACCOUNTING BENEFITS	0.1	1.2	-33.4	0.1	-14.5	0.2	-23.1	0.2
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	0.6	-44.8	0.6	1.1	-19.0	1.4	124.9	0.6
GENERAL OFFICE BENEFITS	0.2	-41.2	17.8	0.3	-16.0	0.4	138.4	0.2
GENERAL TRAVEL & ENT.	0.2	-3.7	-0.0	0.2	-8.5	0.2	13.4	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOCATED)	0.8	-27.3	-26.9	1.2	-13.1	1.3	15.6	1.2
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	1.4	0.0	-6.0	1.4	-28.0	2.0	30.5	1.5
TAXES (EXCEPT INCOME & PAYROLL TAXES)	0.2	-26.6	-20.8	0.2	-5.2	0.2	13.7	0.2
PERSONAL PROPERTY TAX	0.1	7.8	5.6	0.1	4.9	0.1	-6.6	0.1
ALL OTHER TAXES	0.1	-8.1	-10.3	0.1	-23.7	0.1	28.1	0.1
UNSPECIFIED	0.0	-78.2	-70.9	0.1	6.3	0.1	25.9	0.1
INTEREST EXPENSE	0.0	-93.2	-91.9	0.3	-2.4	0.3	21.9	0.2
OTHER	2.9	-26.8	-2.7	4.0	-1.3	4.0	34.6	3.0
TOTAL GENERAL AND ADMINISTRATIVE EXP.	9.7	-12.8	-6.2	11.1	30.2	8.5	-17.4	10.3

TABLE G23 - EMPLOYEE BENEFITS EXPENSE RATIOS OF COLLEGE PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 11 PUBLISHERS
WITH 1988 NET SALES OF $481,614,000

	1988			1987		1986		1985
	PCT NET SALES	PCT CHG FROM 87	PCT CHG FROM 85	PCT NET SALES	PCT CHG FROM 86	PCT NET SALES	PCT CHG FROM 85	PCT NET SALES
PENSIONS	0.3	9.2	-41.0	0.3	-37.7	0.5	-13.3	0.6
DEFERRED PROFIT SHARING	0.7	25.0	37.7	0.6	-9.6	0.6	22.0	0.5
HOSPITALIZATION & GROUP INSURANCE	1.4	14.8	2.3	1.2	-1.7	1.2	-9.3	1.3
PAYROLL TAXES	1.4	-7.9	-12.9	1.5	-4.3	1.6	-1.3	1.6
OTHER	0.2	24.9	13.2	0.2	-32.7	0.3	34.6	0.2
TOTAL EMPLOYEE BENEFITS	4.0	7.3	-4.4	3.7	-10.2	4.1	-0.8	4.2

TABLE G24 - EMPLOYEE DATA OF COLLEGE PUBLISHERS

AS REPORTED BY 14 PUBLISHERS - EMPLOYING 3,159 TOTAL STAFF (1988)
(1988 NET SALES PER EMPLOYEE - $223,572)

	AVERAGE NUMBER OF EMPLOYEES PER $1,000,000 OF NET SALES				YOUR DATA			
	1988	1987	1986	1985				
ACQUISITION & DEVELOPMENT	1.1	1.1	1.2	1.2				
PRODUCTION, EDITORIAL & MANUFACTURING	0.7	0.8	0.8	1.0				
MARKETING (TOTAL)	1.9	2.2	2.5	2.5				
SALES	1.6	1.8	2.1	2.1				
PROMOTION	0.3	0.4	0.4	0.4				
ADMINISTRATIVE MANAGEMNT	0.3	0.3	0.4	0.5				
OTHER	0.5	0.6	0.6	0.7				
ALL EMPLOYEES	4.5	5.0	5.6	5.8				

TABLE G25 - SELECTED BALANCE SHEET DATA

AS REPORTED BY 9 PUBLISHERS
WITH 1988 NET SALES OF $506,268,000

	PCT-NET SALES	
	GROSS	NET OF RESERVE
INVENTORIES	19.8	17.0
ROYALTY ADVANCES	4.8	3.9
PLANT COST CAPITALIZED	29.4	18.6
ACCOUNTS RECEIVABLE	34.0	28.5

(The following is text material for Table G7b which appears on page G-12)

In Table G7b, estimated sales are related to enrollment data on a state-by-state basis. 1987 and 1988 again utilize estimated full-time equivalent fall enrollment data. The estimates are based on data released by the National Center for Education Statistics. Since both sales and enrollments are estimated and no adjustments are made for the sales of college textbooks to markets other than formal higher education, the resulting per capita figures should not be taken literally but should be regarded as trend indicators only.

Definitions for most line items, and instructions for furnishing data to the AAP Industry Statistics are included in the survey questionnaires. Overall methodology, and definitions of the publishing divisions themselves are presented in this volume beginning on page xiii.

The Higher Education Statistics Committee is supplementing this material with the following brief definitions of the major (i.e. Table G8) line items:

Gross Sales: Total domestic and foreign sales of books, tests, reprints, pamphlets, audio-visual aids and other media materials developed by the College division. Each publisher reports sales on a calendar (preferred) or fiscal year basis.

Returns: Credits against gross sales for merchandise returned or adjustments made. Includes only actual returns, not reserves; excudes transportation.

Net Sales: Gross Sales less Returns. Excludes subsidiary rights, permissions and distribution income.

Cost of Sales: Manufacturing costs and royalties applicable to goods sold. Excludes plate and development costs. Includes landed costs of imports and acquisition cost of distributed editions.

Paper, Printing, Binding & Dupl. Costs (PPB): Calculated based on beginning inventory plus purchases, less ending inventory and free copies. Inventory includes bound stock, including books on consignment, as well as raw materials. Any editorial plant costs are estimated and removed from inventory. Purchases include transportation costs up to the first point of shipment; costs of containers supplied by the manufacturer, and duplicating costs for AV, software, and other non-print products. Free copies are deducted from inventory and include only books given away for promotional purposes, but not teaching aids, which are considered a cost of sale of the book they accompany. Inventory write-offs are deducted from ending inventory, so the cost of revaluations appears as PPB.

Royalty Expense: Payments of royalties resulting from sales during the reporting year; includes grants, advances written-off and override royalties paid to consulting editors but not to staff editors (The latter are reported as salary).

Other Income: Subsidiary rights, permissions and distribution income.

Gross Margin: Net Sales less PPB and Royalties. Does not include plate or development costs.

Publishing and Operating Expenses:

Plant Costs: Non-recurring manufacturing costs, plus outside artwork. Includes typesetting, negatives and plates (provided the plates can be used for reprints; otherwise reported as PPB). The cost of master films and recordings for AV and one-time processing costs for software are reported here. Also includes permissions, retyping costs (if paid by the publisher), and preparation of camera-ready copy.

Editorial: Acquisition and development costs only, including salaries, benefits, T & E, reference and research materials, stationery, supplies and reviews.

Production: Salary and benefit costs of copy editorial, design, and production staffs, as well as freelance costs, outside production services, reference materials, art supplies, stationery and T & E.

Marketing: Selling and promotion expenses. Includes advertising, catalogs, free copies and postage, exhibits, free software, salaries, bonuses, T & E, and automobiles.

Fulfillment: Order and return processing, customer service, shipping and storage, accounts receivable, systems expense (for order processing only), equipment rental, transportation not paid by customer or included in PPB, warehouse rent or depreciation and operating expenses, supplies and salaries. Multi-divisional houses allocate fulfillment expenses based on the number of orders processed.

General & Administrative: Management, accounting, general office, tax, insurance, legal, and systems expense. Also includes all occupancy, telephone, overhead, utility and collection costs. Corporate assessments (fees charged by parent companies) are not included unless they represent payments for services actually received which the publisher would otherwise have to furnish or purchase elsewhere. G & A is allocated on a percentage of sales basis (except for occupancy costs which are based on space used).